

# Active is: Combining successful bond selection with SRI expertise

Allianz Euro Credit SRI  
November 2019



Value. Shared.

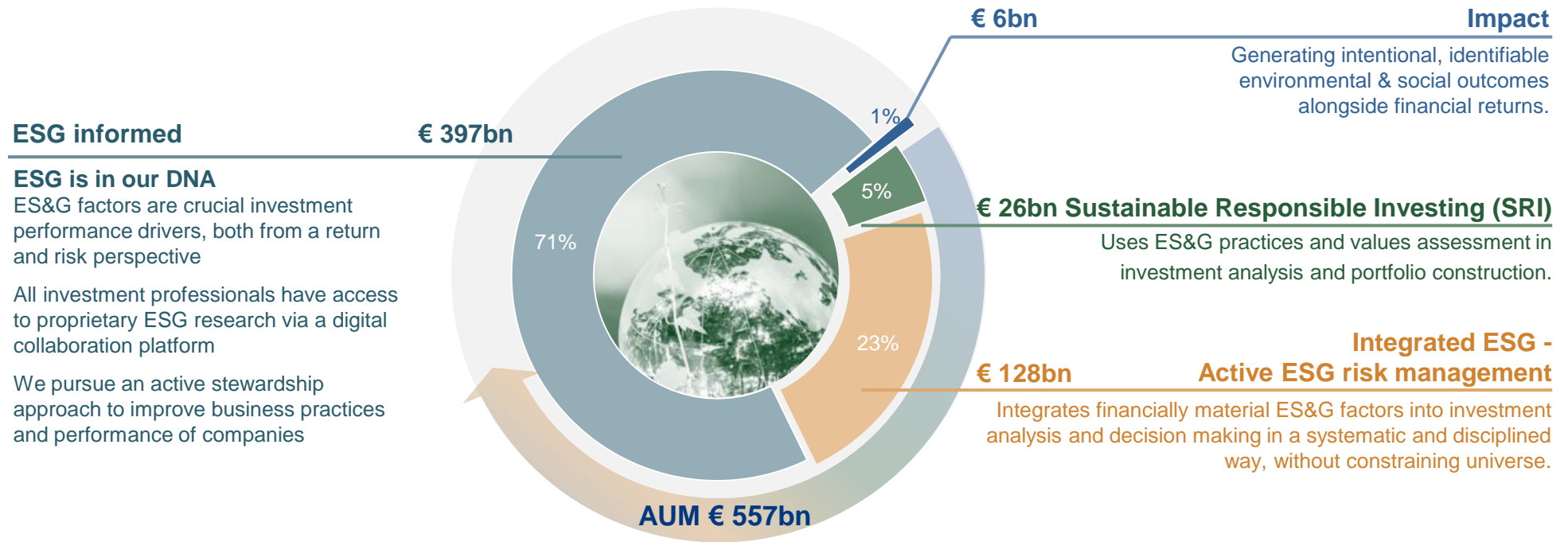


For fund distributors and professional  
investors use only.

**Allianz**   
Global Investors

# Pioneering ESG

**We are committed to integrating ES&G factors into all investment decisions and across all asset classes**



**Active is: Unlocking the potential of ESG**



**An ESG pioneer since 2000**

**PRI top score A+ on ESG strategy and governance**

**Allianz SE sustainability leader and within DJSI**

Data as at 30 September 2019. Source: Allianz Global Investors. Any differences in totals are due to rounding. Impact comprises different strategies targeting climate transition, environmental projects and renewable energy. Environmental, social, governance (ESG); Sustainable & responsible investing (SRI); Dow Jones Sustainability Index (DJSI); Principles for responsible investing (PRI). Sustainability leadership and inclusion in the DJSI are based on the research of and an evaluation of questionnaires submitted to RobecoSAM. The PRI assessment report is based on information reported directly by signatories. Moreover, the underlying information has not been audited by the PRI or any other party acting on its behalf.

# A pioneer in sustainable investing

## Active involvement in...

**2000**

First global SRI equity strategy launched

**2002**



Allianz signs up to UN Global Compact

**2007**



First SRI fixed income strategy launched

**2008**

First ethical strategy launched

**2010**

AllianzGI becomes a signatory to Carbon Disclosure Project <sup>1</sup>

## ... various global and regional initiatives...

First listed impact strategies



Member of...

**2015**

First multi asset SRI strategy launched



**2014**

AllianzGI becomes member of the Asian Corporate Governance Association <sup>3</sup>

**2013**

First impact strategy for renewable energy

**2012**

AllianzGI joins the Italian Sustainable Investment Forum <sup>2</sup>

**2011**



Adhering to the "Green Bonds Principles" <sup>4</sup>



**2016**

AllianzGI joins the Institutional Investors Group on Climate Change <sup>5</sup>



**2017**

First ESG integrated strategies launched Supporting the work of IIRC <sup>6</sup> and member of...



**2018**

Member of the Technical Expert Group on Sustainable Finance for the EU Commission <sup>7</sup> Member of...



**2019**

Andreas Utermann becomes member of Climate Finance Leadership Initiative

The Graphic only shows a selection of Initiatives AllianzGI participates in: <sup>1</sup> <https://www.cdp.net/en>; <sup>2</sup> <http://finanzasostenibile.it/forum-finanza-sostenibile-eng>; <sup>3</sup> <https://www.acga-asia.org/who-we-are.php>; <sup>4</sup> <https://www.climatebonds.net/market/best-practice-guidelines>; <sup>5</sup> <https://www.iigcc.org>; <sup>6</sup> <http://integratedreporting.org>; <sup>7</sup> <http://ec.europa.eu/>;

Source: Allianz Global Investors, 2019. For illustrative purposes only.

# Sustainable investment offerings at AllianzGI



## Integrated ESG

Delivering financial returns and enhancing the investment process by **assessment of material ES&G risks** and their impact on Investment value

- ➔ Fully **incorporates ESG** into fundamental research - **no ESG overlay**
- ➔ Builds on existing investment strategies and track record - **unconstrained investment universe**
- ➔ **Risk/ reward analysis: ESG tail risk management** aims to mitigate extreme losses contributing **to a better risk-adjusted performance** over a market cycle

**Comply or explain approach** when taking ESG risk



## SRI

Building sustainable portfolios by delivering sustainable financial returns based on the **assessment of ESG practices**

- ➔ **Targets offering both SRI and financial return** through a number of different approaches
- ➔ **Focused investment universe**
- ➔ **ESG quality often determines eligibility** for portfolio and influences weightings

**Established SRI portfolios** based on evolutionary process



## Impact

Delivering **intentional and identifiable impact** alongside financial returns

Intended use of **proceeds to generate positive environmental and/or social impact'**

**ES&G factors** provide a **framework to identify areas of social or environmental need**, often via UN SDGs or other defined KPIs

**Deep expertise** across public and private markets

Leveraging global research and collaboration platform

Active stewardship: Engagement and proxy voting

# Agenda

**01**

Team and  
investment  
process

**02**

Credit market

**03**

Performance,  
risks and  
composition of  
the portfolio

# 01a

**Experienced management team –  
Our specialists belong to Europe’s leading SRI experts**



# The Corporate Credit Europe team

## V. Marioni (21/5) - CIO Credit Europe

High Yield Portfolio Managers		Investment Grade Portfolio Managers/Analysts		Convertible Bonds Portfolio Managers/Analysts	
V. Marioni (21/5)	G. Docq, CFA (12/3)	H. Dejonghe, CFA (19/8)	L. Talavera (18/11)	T. Gruet, CFA, CAIA (22/14)	J. Gasser, CFA (5/5)
S. Ploton (13/10)		J. Bras, CFA (14/14)	F. Piechowski (13/5)		

## D. Manoux (29/8) - Head of credit research

Dedicated High Yield analysts		Dedicated Investment Grade analysts		Additional PMs contributing to IG Credit Research	
D. Manoux (29/8) Head of HY research	S. Iem, CFA (12/8) Corporates	C. Brugère (27/4) Head of IG research	B. de la Roncière (20/7) Corporates	O. Videau (23/21)	J. Bronssard (20/6)
L. Desbrosses, CFA (11/6) Corporates	S. Outin, CFA (11/6)** Financials	S. Wittmann, CFA, CIIA (12/2) Corporates	H. Guergouri (16/12) Financials	E. Clément (11/8)	C. Roux Buisson (22/5)
J-B. Teissier, CFA (19/2) Corporates		L. Niederberger (11/2) SSA*	A. Hallak (3/3) Corporate	D. Huber (9/1)	R. Boeckel (19/5)
		A. Parent (8/1) Corporates		R. Vesters (30/7)	L. Ancona (25/25)

## Product Specialists

P. Wrobel (23/8)	T. Knigge (20/18)	S. Lounis (8/8)
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Source : Allianz Global Investors, as of October 2019. Numbers in brackets reflect years of industry experience/years at Allianz Global Investors and affiliates.

\*SSA: Sub-sovereign/Supranational/Agencies

\*\* Analyst contributing to portfolio management



# Global sustainable investing expertise across the entire investment platform



**Chief sustainability Officer**  
Beatrix Anton-Groenemeyer

## Sustainability specialists across the investment platform

**Global ESG Strategy**

ESG Strategy, Policy & Integration Framework, Investment Integration & Product Design, ESG Client Solutions



**Global Head of ESG**  
Steffen Hoerter  
(26/18)\*

GER



**ESG Integration Manager**  
Nina Hodzic  
(16/3)\*

GER



**ESG Integration Specialist**  
Jonas Jebabli  
(3/2)\*

GER

**Global ESG Research**

Proprietary ESG Research, Engagement, Proxy Voting, Public Policy



**Global Head of ESG Research**  
Eugenia Jackson  
(15/4)\*

UK



**ESG Analyst**  
Blaine Abraham  
(5/2)\*

UK

**ESG Analyst**  
Robbie Miles  
(9/5)\*

US



**ESG Analyst**  
Marie-Sybille Connan  
(26/11)\*

FR

**ESG Analyst**  
Mathilde Moulin  
(15/12)\*

FR



**ESG Analyst**  
Kimon Andreas Demetriades  
(7/2)\*

UK

**ESG Analyst**  
Antje Stobbe  
(20/1)\*

GER



**ESG Analyst**  
Gaia Mazzucchelli  
(5/2)\*

UK

**ESG Analyst**  
Chris Ye  
(11/2)\*

HKG



**Global SRI Research**

SRI Research, Public Policy, SRI Solutions, Engagement



**Global Head of SRI Research**  
Isabel Reuss  
(35/35)\*

IT



**SRI Analyst**  
Marie Navarre  
(13/1)\*

FR



**SRI Analyst**  
Melissa Bourassi  
(10/8)\*

FR



**SRI Research Data Analyst**  
David Taing  
(10/1)\*

FR

### Leveraging expertise across investment platform

Integrated	SRI	Impact
25 integrated Portfolio Managers	19 Portfolio Managers investing with SRI objectives	<b>Private Markets:</b> <i>Renewable Energy</i> 36 specialist investors
		<b>Public Markets:</b> <i>Green Bonds</i> 2 specialist Portfolio Managers supported by Credit teams; <i>Climate Transition</i> 2 specialist Portfolio Managers supported by Equity Conviction teams;

\* Investment Industry Relevant Experience / Years with AllianzGI. Source: Allianz Global Investors, as of August 2019. For illustrative purposes only.

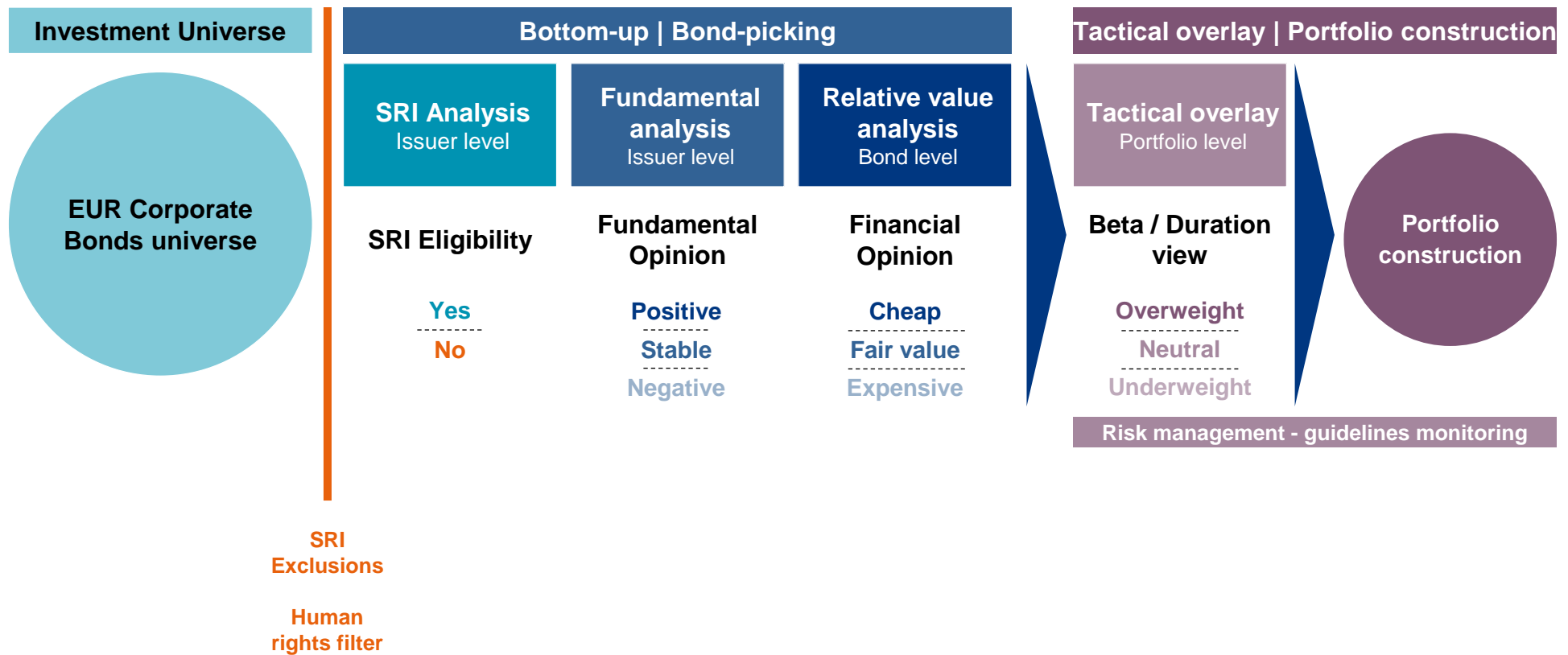


# 01b

**Rigorous and disciplined investment process –  
Bond picking based on both financial and ESG criteria**



# Investment process



# AllianzGI SRI Exclusions

This set of exclusions is applied to all our Sustainable and Responsible Investing strategies

## UN Global Compact



- Companies involved in **severe controversies** regarding one of the ten principles of the UN Global Compact
- Engagement in certain cases

## Weapons



- **Controversial Weapons** (cluster munition, landmine, atomic biological or chemical)
- Companies that derive more than 10% of revenues from **conventional weapons**

## Coal



- Companies that derive more than 10% of their revenue from **thermal coal extraction**
- **Utility companies** that generate more than 20% of their revenues from **coal**

## Tobacco



- Companies involved in the **production / manufacturing of tobacco products**
- Companies involved in the **distribution of tobacco** for more than 10% of their revenues.

## Human Rights Filter

We use the United Nations Global Compact definition

### Respect of Human Rights

#### **These principles are derived from the Universal Declaration of Human Rights**

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principle 2:** Make sure that they are not complicit in human rights abuses

#### **These principles are derived from the ILO<sup>1</sup> Declaration on Fundamental Principles and Rights at Work**

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4:** the elimination of all forms of forced and compulsory labour;

**Principle 5:** the effective abolition of child labour; and

**Principle 6:** the elimination of discrimination in respect of employment and occupation

# SRI Analysis

## Rating methodology

**Eligibility is determined by the absence of Human rights flag and an overall issuer rating above average**

Input from internal/external sources: AllianzGI ESG Research Team, Company Meetings, Brokers, NGOs, Media, ESG Data Providers

SRI Domains	Weight in the overall SRI Rating (w)
Environment rating (E)	30% (average among all sectors)
Social Development rating (S)	30% (average among all sectors)
Corporate Governance rating (G)	20% (across all sectors)
Business Behavior rating (B)	20% (average among all sectors)
<b>Overall issuer rating</b>	<b><math>E*w(E) + S*w(S) + G*20\% + B*w(B)</math></b>

Minimum threshold to be met by issuers on each SRI domain rating to avoid controversies

Divergence analysis in case data from two external providers differs

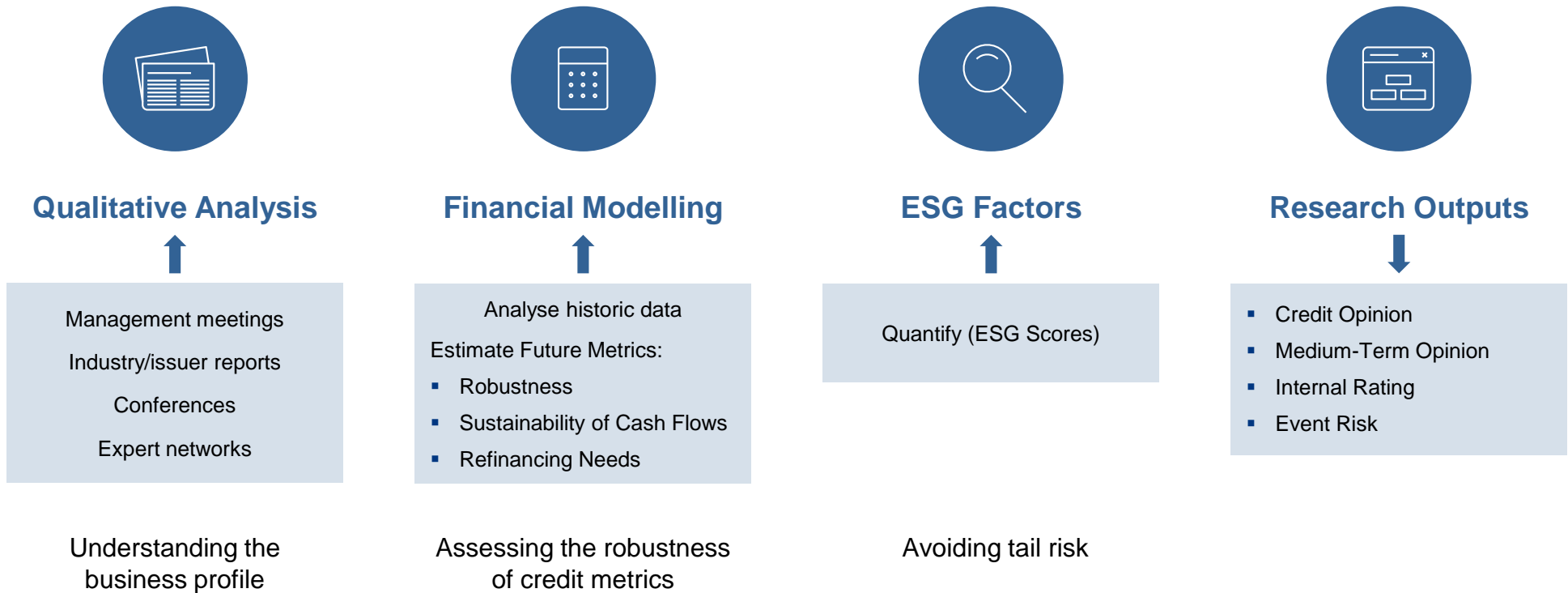
### Evaluation of the 4 SRI Domains

- Analysis based on approx. 200 indicators
- Company evaluation based on sector specific indicator weights
- applying Best in Class approach (positive sector screening)

**Minimum 90% of assets rated above average in the portfolio**

\* ESG: Environmental-Social-Governance.  
Source: Allianz Global Investors, 2019. For illustrative purposes only

# Fundamental Analysis



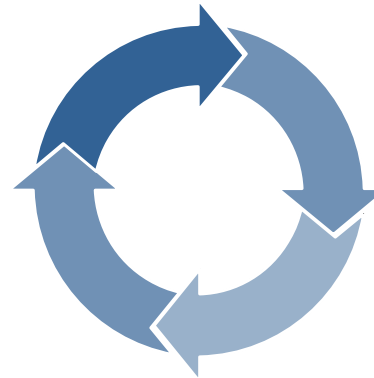
# Valuation & technicals

## Valuation & Technicals are also key to the investment decision

### Valuation

- Historic valuation
- Relative value by:
  - Peer group
  - Sector
  - Rating
- CDS basis analysis: +/-
- Default risk / Recovery rate
- Call schedule

→ **Attractive; Fair Value; Expensive**



**Iterative process**

→ **Liquidity impacts valuation**

### Technicals

- Issue size
- Bid / Ask spread
- Covenants
- Investor nature: Retail / Institutional
- Member of Itraxx Index
- Market conditions

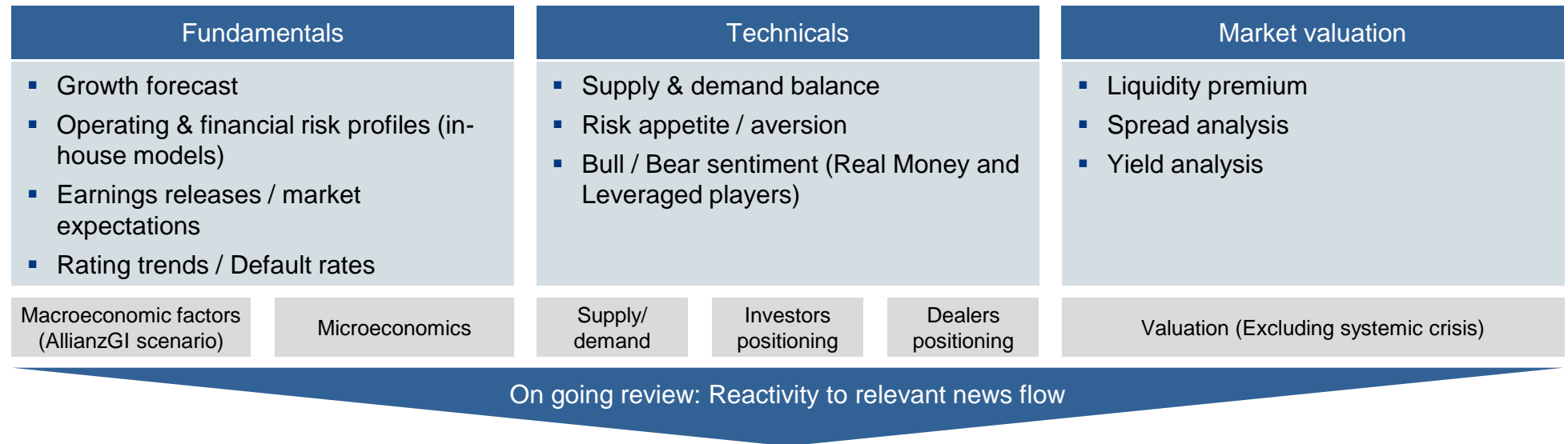
→ **Good; Average; Poor**



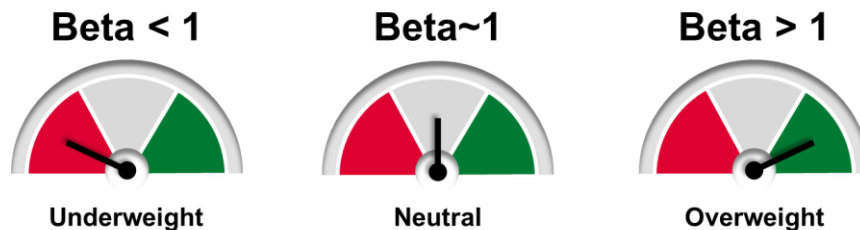
# Tactical Overlay

## Credit and duration exposure

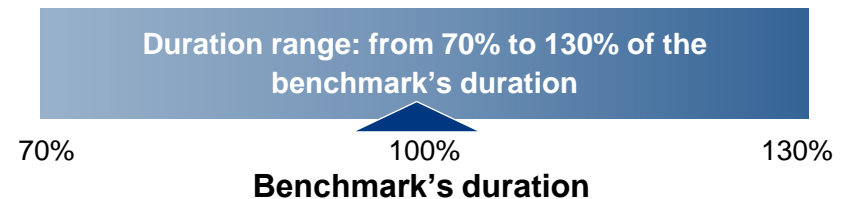
### Implementing our tactical view on the credit market and on duration



### Beta positioning



### Duration positioning



# Risk Management - Bloomberg PORT

## Risk and performance analysis

### Portfolio real time monitoring

	Weight (%)		BB Comp		OAS		Yield to Worst	
	Port	Bench	Port	Bench	Port	Bench	Port	Bench
	<b>100,00</b>	<b>100,00</b>	<b>BBB+</b>	<b>A-</b>	<b>171,78</b>	<b>132,22</b>	<b>1,47</b>	<b>1,01</b>
A 0 ½ 07/17/23	0,84	0,06	A	A	79,66	79,66	0,37	0,37
B 1 ¾ 09/07/28	0,80	0,04	BBB	BBB	261,02	261,02	2,89	2,89
C 0 ⅝ 07/20/23	0,77	0,08	AA	AA	73,94	73,94	0,32	0,32
D 1 ⅞ 03/23/26	0,77	0,04	BBB	BBB	130,53	130,53	1,11	1,11
E 2 ½ 02/08/28	0,75	0,06	BBB	BBB	283,69	283,69	2,81	2,81
F 0 ¼ 11/17/21	0,73	0,05	AA-	AA-	59,60	59,60	0,06	0,06
G 0 ⅞ 01/31/24	0,72	0,05	A-	A-	140,33	140,33	1,02	1,02

### Beta analysis

By security

By sector

By country

By rating

	Wgt		Beta
	Port	Bench	Port
	<b>100,00</b>	<b>100,00</b>	
A 0 ½ 07/17/23	0,84	0,06	0,53
B 1 ¾ 09/07/28	0,80	0,04	1,92
C 0 ⅝ 07/20/23	0,77	0,08	0,56
D 1 ⅞ 03/23/26	0,77	0,04	1,30
E 2 ½ 02/08/28	0,75	0,06	1,40
F 0 ¼ 11/17/21	0,73	0,05	0,29
G 0 ⅞ 01/31/24	0,72	0,05	0,90

### Scenario analysis

	Profit and Loss percent (Greece Financial Crisis - 2015)		Profit and Loss percent (Debt Ceiling Crisis & Downgrade in 2011)		Profit and Loss percent (Japan Earthquake in Mar 2011)	
	Port	Bench	Port	Bench	Port	Bench
	<b>0,12</b>	<b>0,10</b>	<b>0,15</b>	<b>0,60</b>	<b>0,18</b>	<b>0,24</b>
Banking	0,09	0,03	0,72	0,65	0,34	0,41
Basic Industry	0,03	0,12	0,57	0,67	0,34	0,39
Capital Goods	0,25	0,18	0,61	0,78	0,34	0,34
Communications	0,14	0,12	0,29	0,19	0,01	0,16
Consumer Cyclical	0,13	0,07	0,64	0,53	0,10	-0,32
Consumer Non-Cyclical	0,00	0,21	0,62	0,86	0,22	0,49

### Attribution

	% Average Weight			Contribution (%)			Total Return (%)		
	Port	Bench	+/-	Port	Bench	+/-	Port	Bench	+/-
	<b>100,00</b>	<b>100,00</b>	<b>0</b>	<b>195,82</b>	<b>183,05</b>	<b>12,78</b>	<b>195,82</b>	<b>183,05</b>	<b>12,78</b>
Issuer A	1,87	1,69	0,18	5,83	2,84	2,99	313,61	167,17	146,44
Issuer B	1,41	1,06	0,35	2,84	1,40	1,43	199,56	133,04	66,52
Issuer C	0,85	0,09	0,76	0,97	0,12	0,85	112,22	134,66	-22,44
Issuer D	0,76	0,67	0,09	1,93	2,03	-0,10	252,43	302,66	-50,22
Issuer E	0,59	0,67	-0,08	2,36	1,31	1,05	409,04	196,22	212,82
Issuer G	0,54	0,16	0,38	1,16	0,52	0,64	214,61	316,50	-101,88
Issuer H	0,51	0,15	0,36	1,09	0,17	0,92	214,28	109,48	104,8

# 02

## Credit market



# Our economic forecasts 2019/2020 in a nutshell

UK	2019	2020
GDP	1.1%	0.8%
CPI	1.9%	2.1%

CHN	2019	2020
GDP	6.1%	5.8%
CPI	2.6%	2.4%

US	2019	2020
GDP	2.1%	1.5%
CPI	1.8%	2.0%

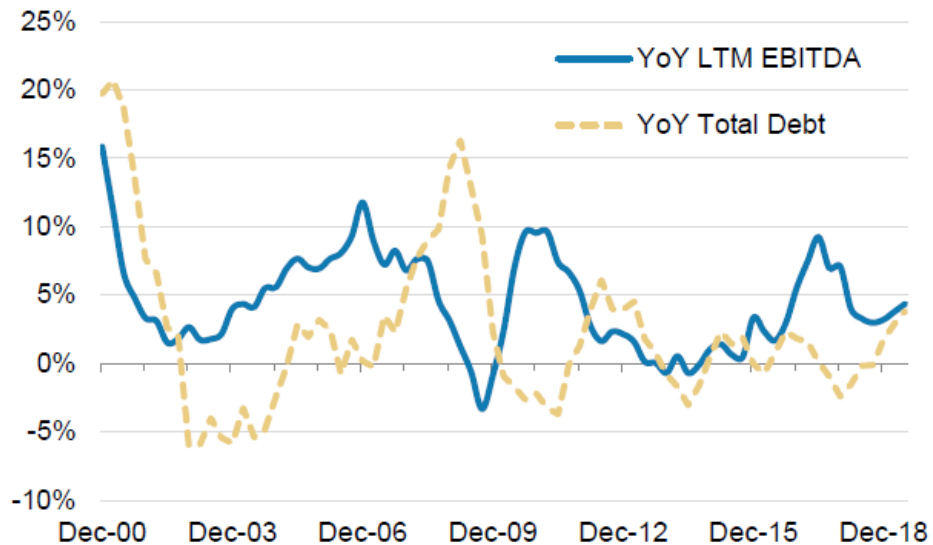
JPN	2019	2020
GDP	0.9%	0.4%
CPI	0.8%	1.3%

EMU	2019	2020
GDP	1.1%	0.9%
CPI	1.3%	1.4%

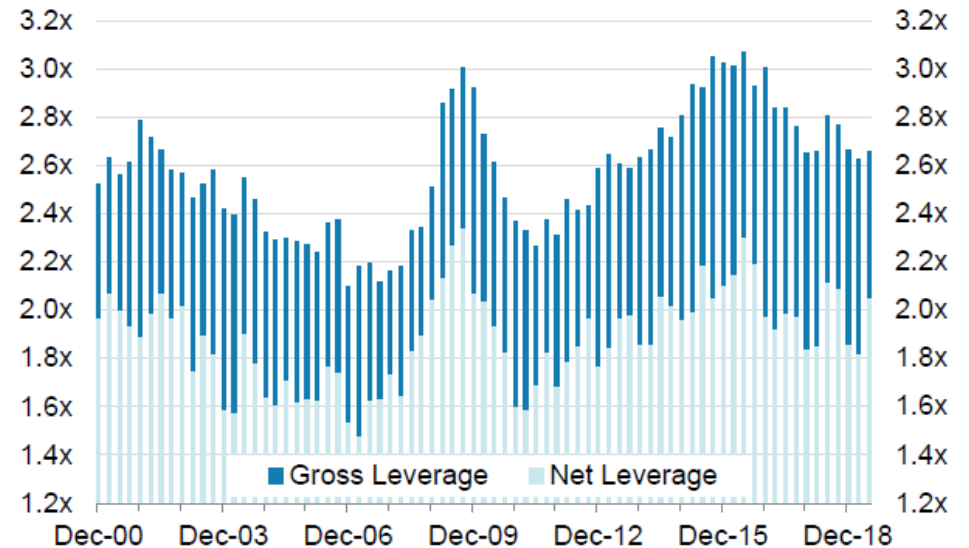
# Fundamentals - European IG Corporates

**EBITDA growth outpaced debt growth in 2Q 2019, net leverage steady between 1,8x and 2x**

**European IG EBITDA & Revenue Growth (%)**



**European IG Net Leverage**

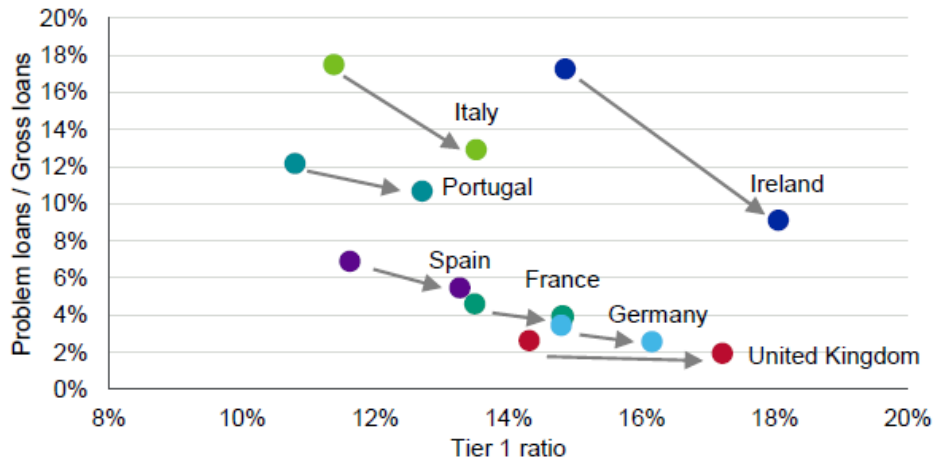


# Fundamentals - European banks

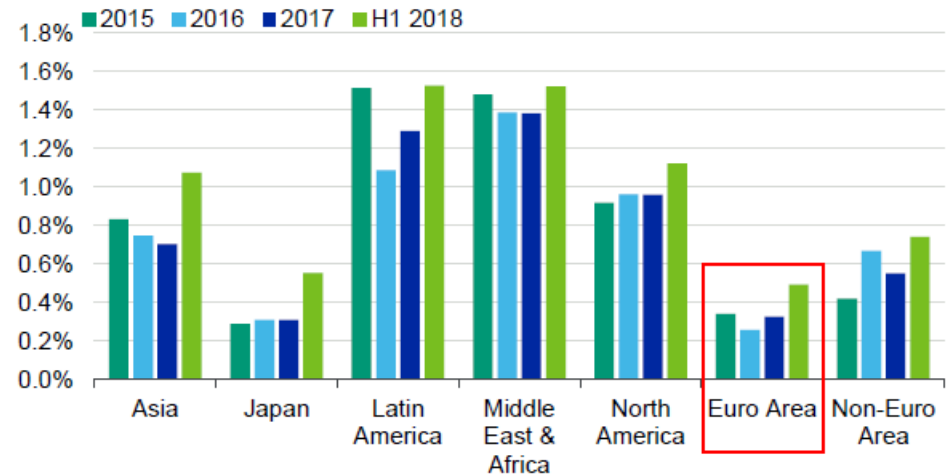
## Capital buffers have widened, fostering resilience to shocks, but profitability remains weak

EBA reported an aggregate 14,3% fully-loaded CET1\* ratio for the largest 190 EU banks and Net Interest Margin of 1,43% as of 06/2018

**Tier 1 Capital ratio vs problem loans / gross loans  
(2015-2017)**



**Net Income / Tangible Assets**



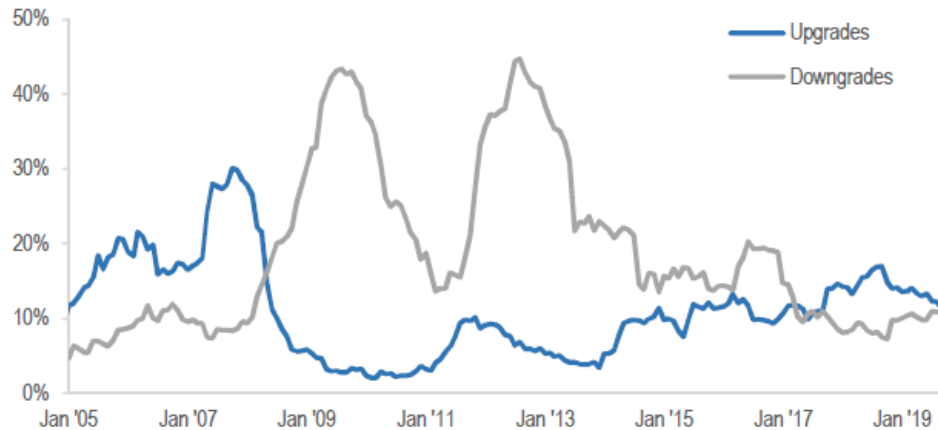
\* CET1 = Common Equity Tier 1  
Source: Moody's Banks Europe 2019 Outlook

# Fundamentals - Downgrades/Upgrades Ratio

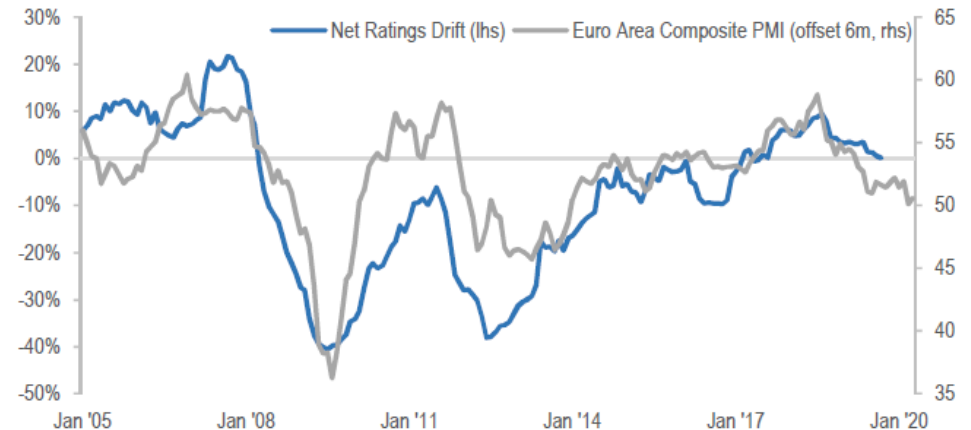
**Rating drift has been trending downward for the past year, now at zero**

It tends to track trends in growth relatively closely with a 6-month lag

**€ IG Upgrade and Downgrade Rate (%)**



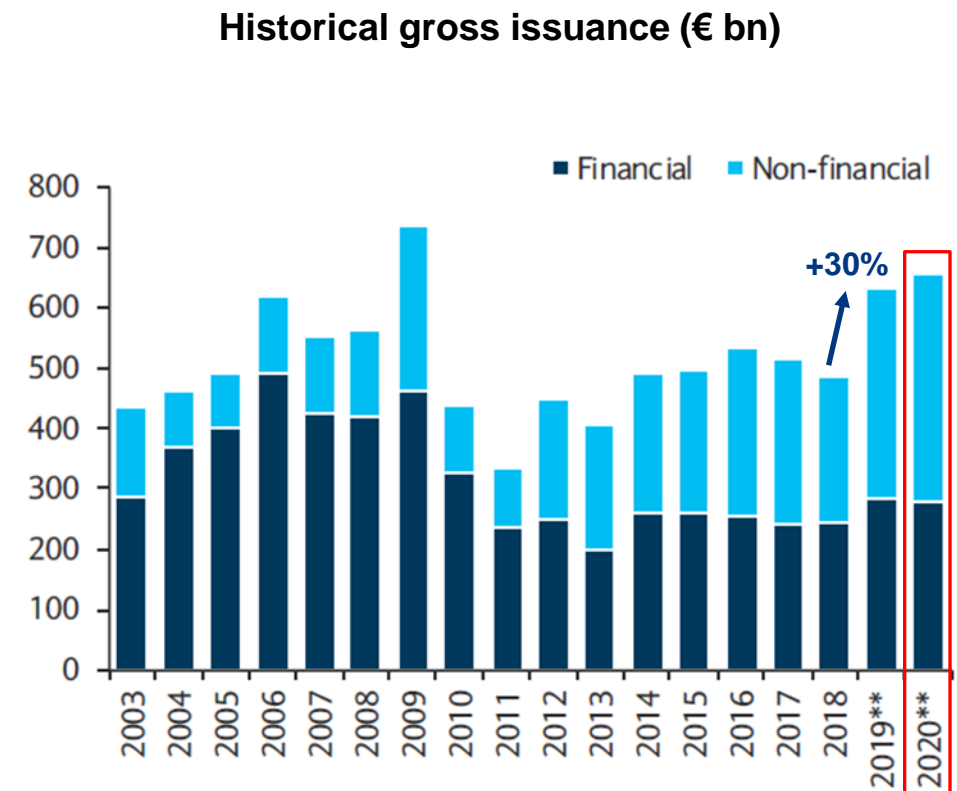
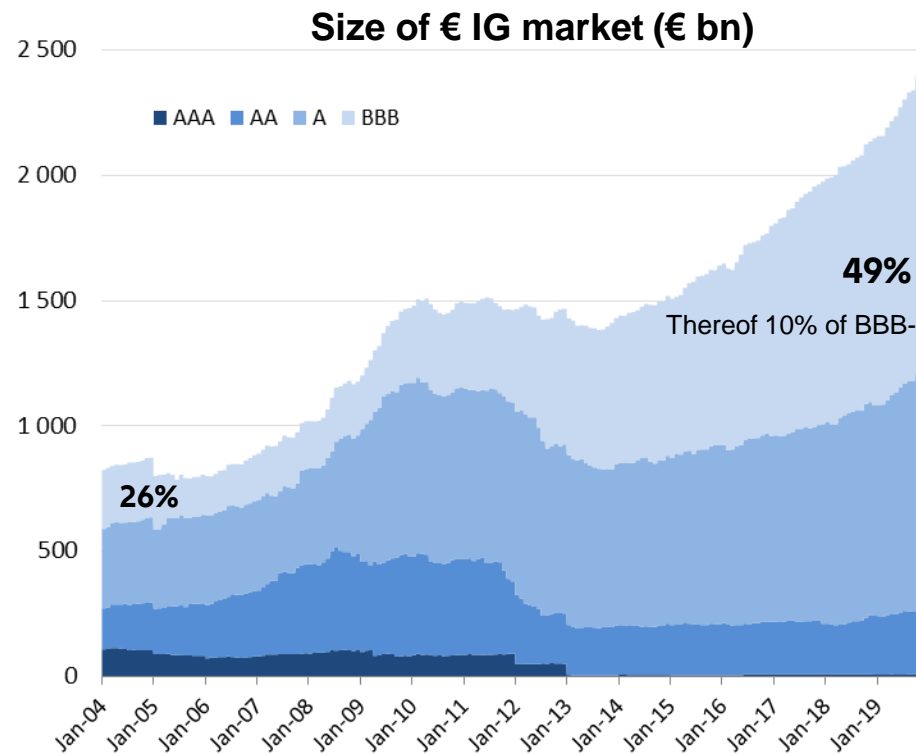
**€ IG Net Rating Drift (%) vs Euro Area Composite PMI 6-month lagged (pts)**





# Technicals - Supply Euro IG

In gross terms, new issue volume is running over 30% faster than in 2018, similar trend expected next year

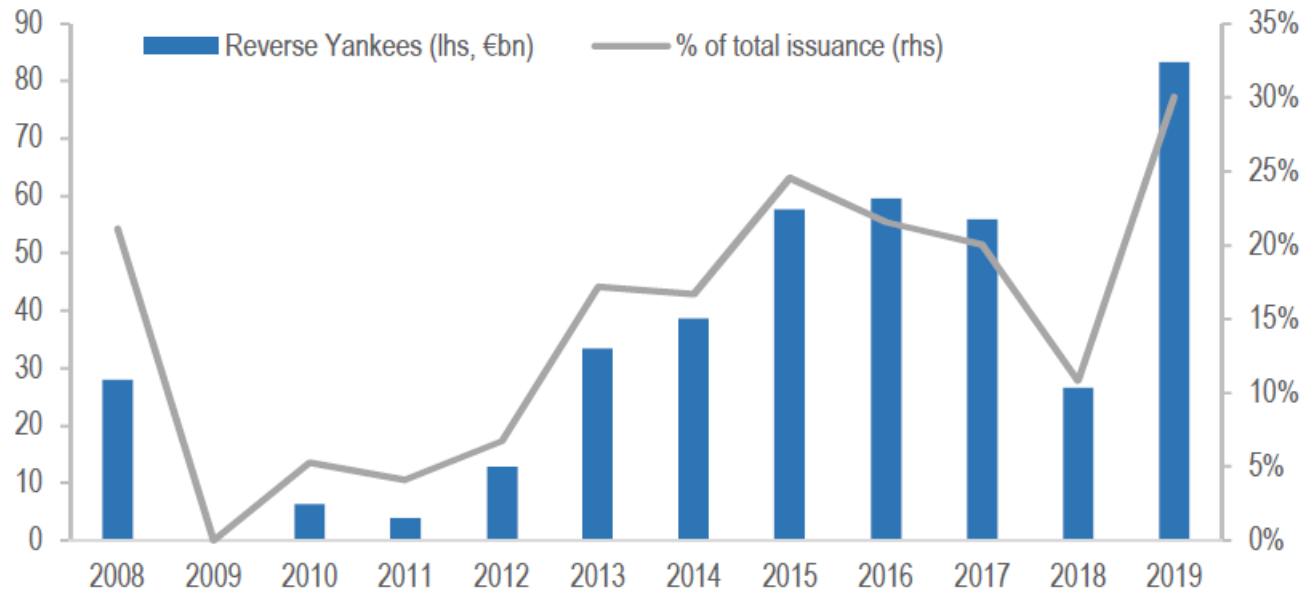


# Technicals - Supply Euro IG

« **Reverse Yankee** » represented more than half the surplus of volume issued vs 2018

The economics of printing in euros for US issuers should remain attractive in 2020

## Non-Financial Reverse Yankee Gross Volume



## Technicals - Supply Euro IG

€ IG market size is expected to increase

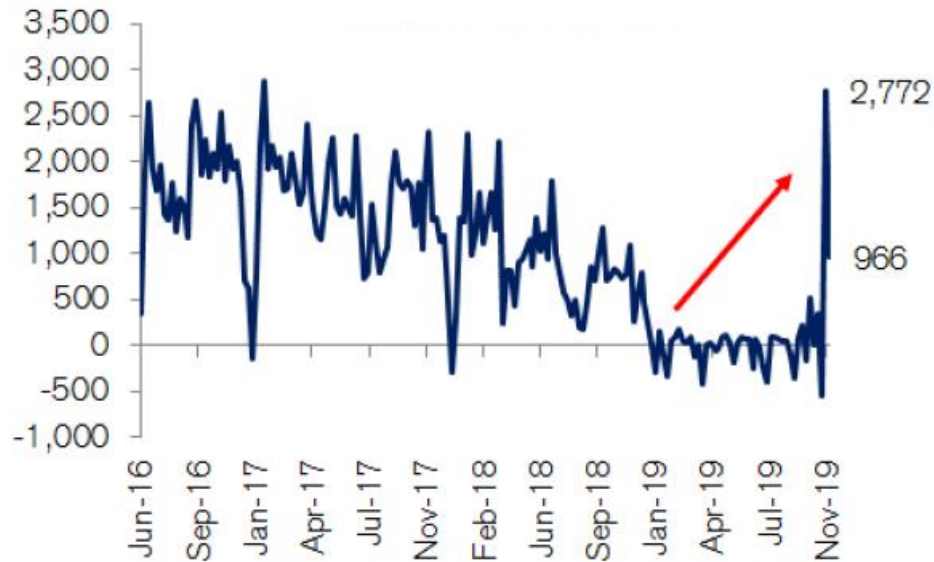
### Supply – Demand Balance, €bn

	2014	2015	2016	2017	2018	2019e	2020e
Gross supply	406	406	438	439	414	540	470
Redemptions	314	235	239	270	209	236	255
Coupons	50	47	43	41	40	40	40
Net CSPP	-	-	51	84	34	5	45
<b>Balance</b>	<b>42</b>	<b>124</b>	<b>105</b>	<b>44</b>	<b>131</b>	<b>259</b>	<b>130</b>

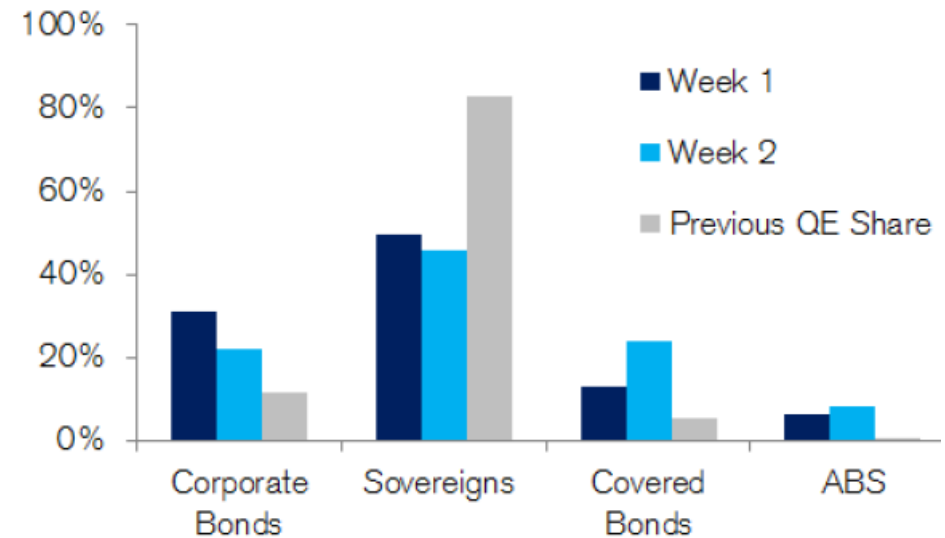
# Technicals - Demand Euro IG

**CSPP back in business: forecast € 4,5 to € 6 bn per month in gross purchase**

**Weekly Net Purchases**



**Allocation of Purchases (%)**



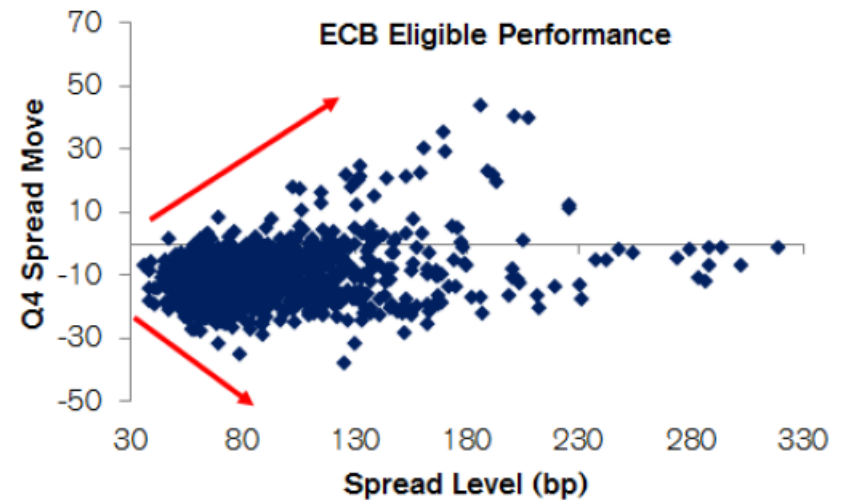
# Technicals - Demand Euro IG

The impact of QE has been inconsistent: while broadly constructive, many bonds have lagged either on fundamental headlines or profit-taking

**ECB Eligible Bonds Spread (bp)**



**ECB Eligible Bonds Performance (bp)**



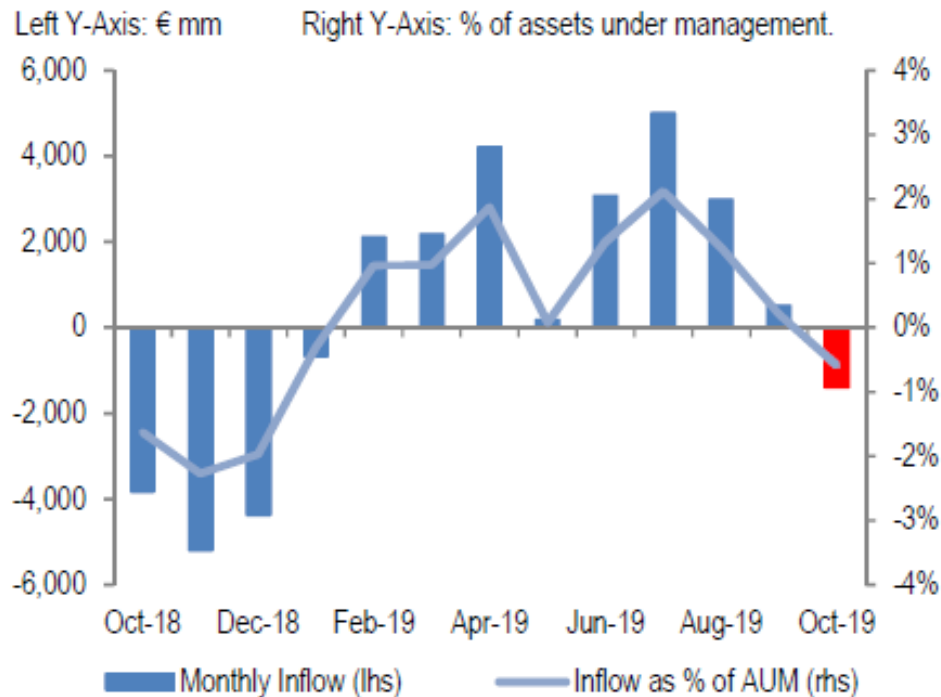
# Technicals - Demand / Flows

## Euro IG

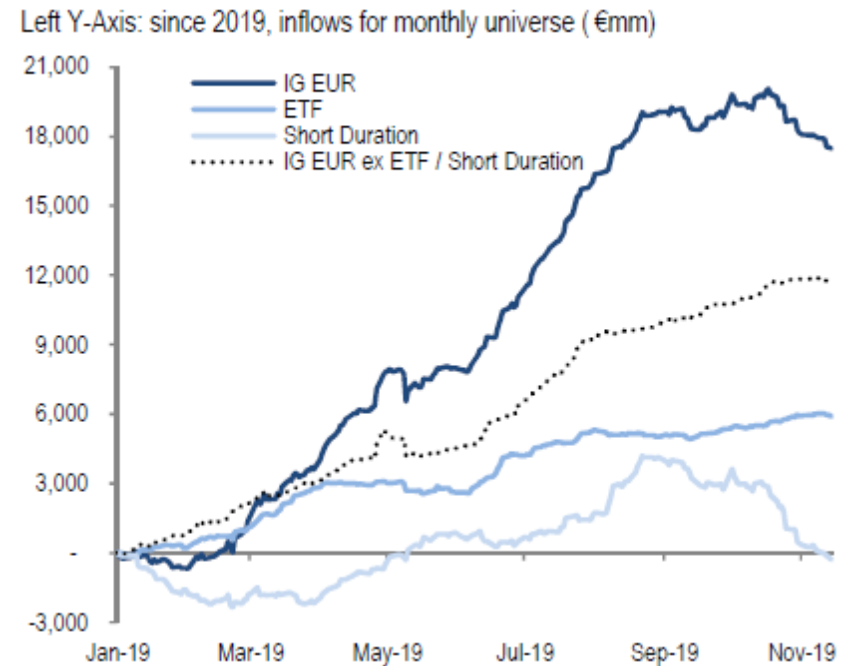
**Strong positive flows but stalling: + € 17,5 bn YTD (8% of AuM)**

**Euro Investment Grade Fund Flows**

**Monthly Flows (€ mio left, % of AuM right)**



**Cumulated flows (€ mio)**

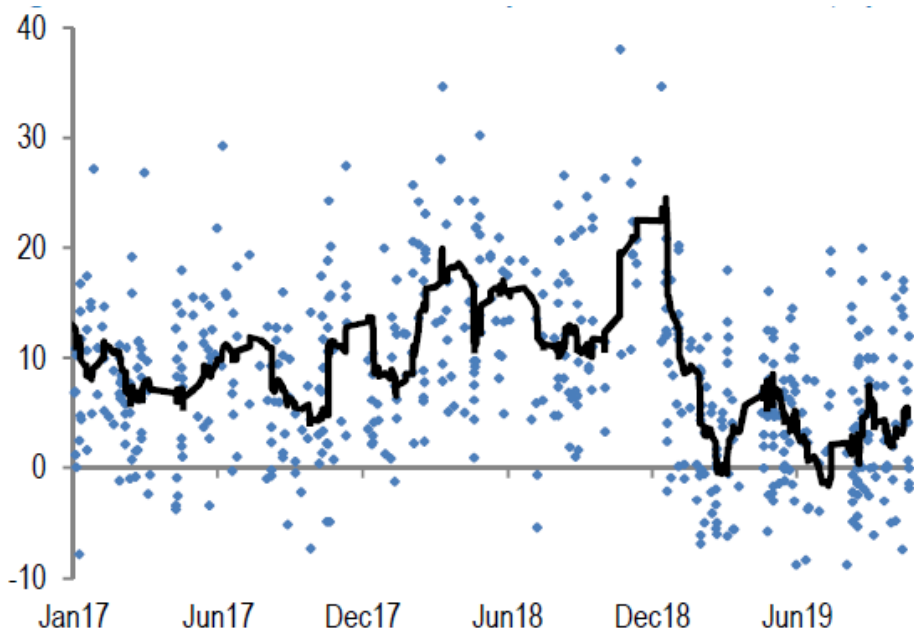


## Valuation - New Issue Premium

### The 20-deal rolling average new issue premium remains around 5 bp.

The Primary Markets showed no signs of slowing; volumes were supported by Shell's € 3 bn triple-tranche offering and Apple's return to the Euro market after 2 years with € 2 bn green bond pushing reverse Yankee issuance to new record of € 112 bn this year.

#### EUR IG New Issue Premium



Black line shows 20-bond moving average. New issue premiums for taps are calculated against the original bond rather than the entire secondary curve.

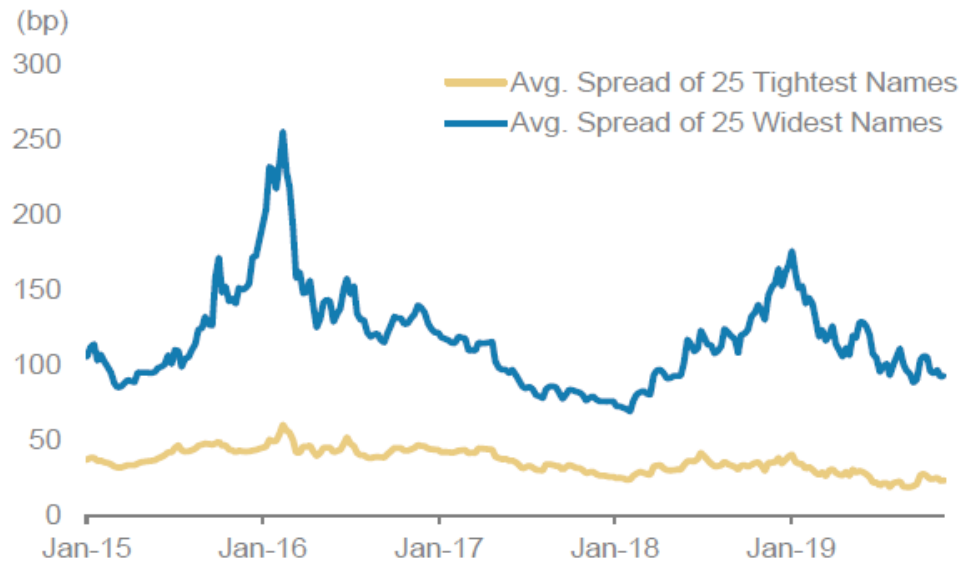


# Valuation

## Reversal of dispersion since the beginning of the year

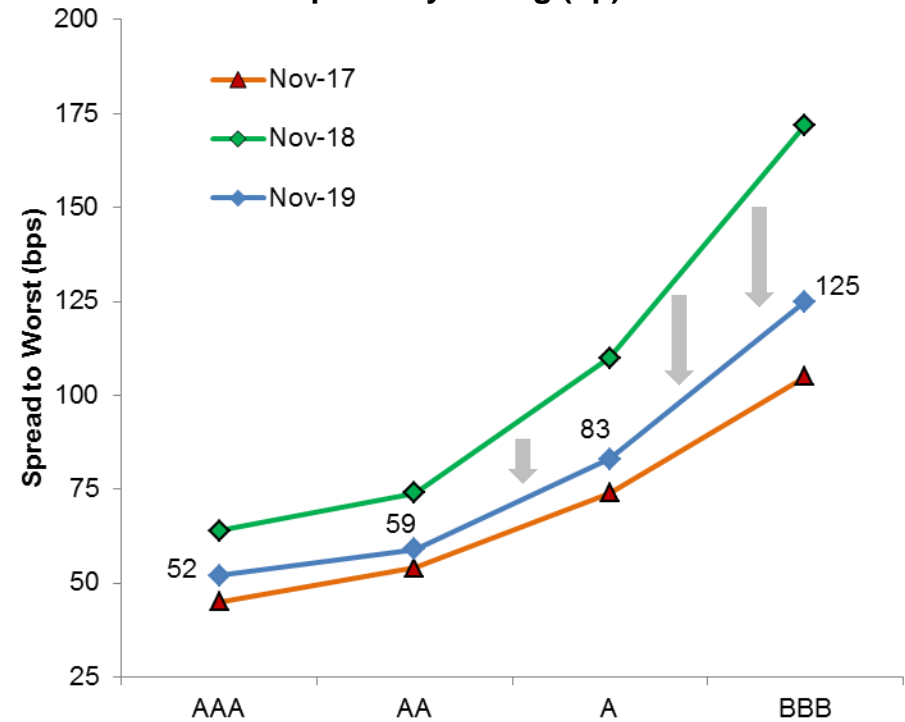
Price dispersion in European Credit is back at CSPP levels

**iTraxx Main dispersion (bp)**



Source: Allianz Global Investors, Morgan Stanley data as of 18.11.2019

**Spread by Rating (bp)**



Source: Allianz Global Investors, Bloomberg, data as of 15.11.2019.

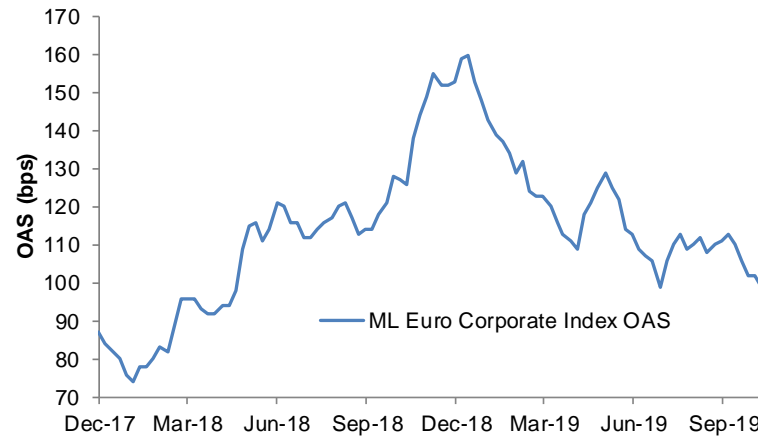
# Valuation - Investment Grade market

**IG Cash market - Historical spread evolution**



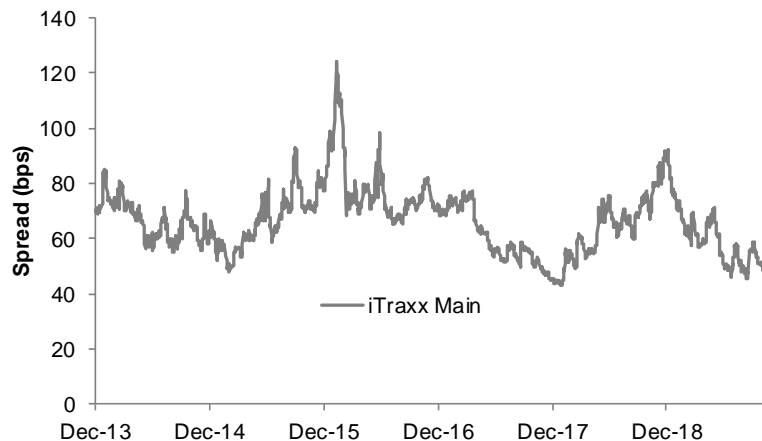
Source: Allianz Global Investors, Bloomberg - data as of 15/11/2019

**IG Cash market - 2018 and YTD spread evolution**



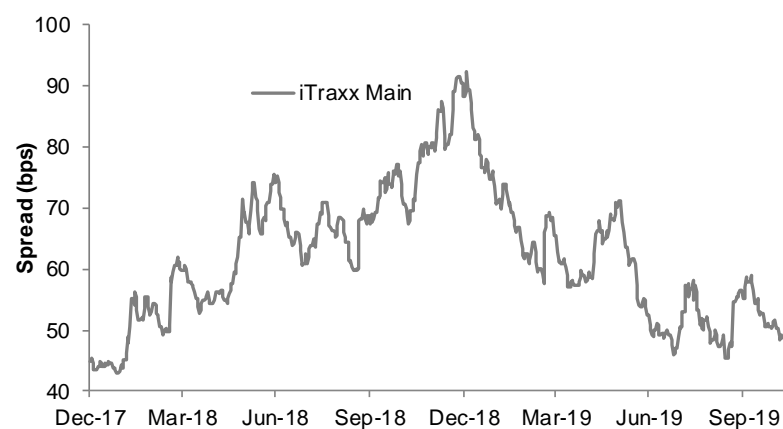
Source: Allianz Global Investors, Bloomberg - data as of 15/11/2019

**IG CDS Market - Historical spread evolution**



Source: Allianz Global Investors, Bloomberg - data as of 18/11/2019

**IG CDS Market - 2018 and YTD spread evolution**



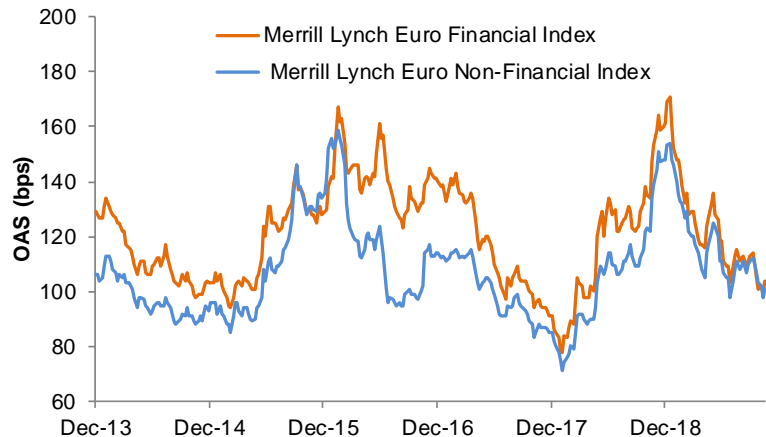
Source: Allianz Global Investors, Bloomberg - data as of 18/11/2019

Past performance is not a reliable indicator of future results.

# Valuation - Investment Grade market - Financials

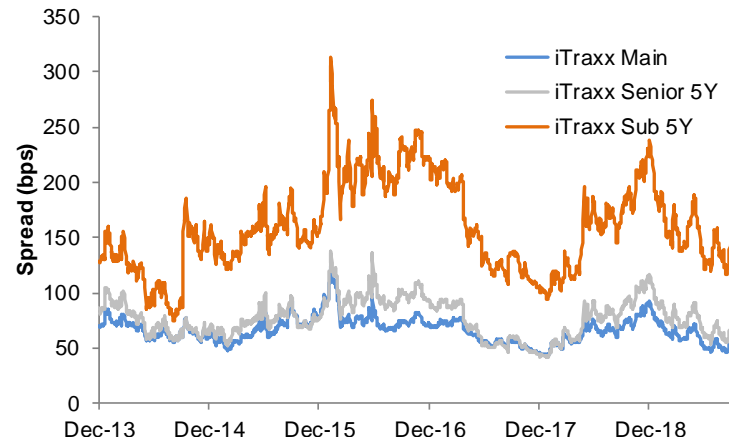
## Regulatory changes impacting relative value

### IG Cash market



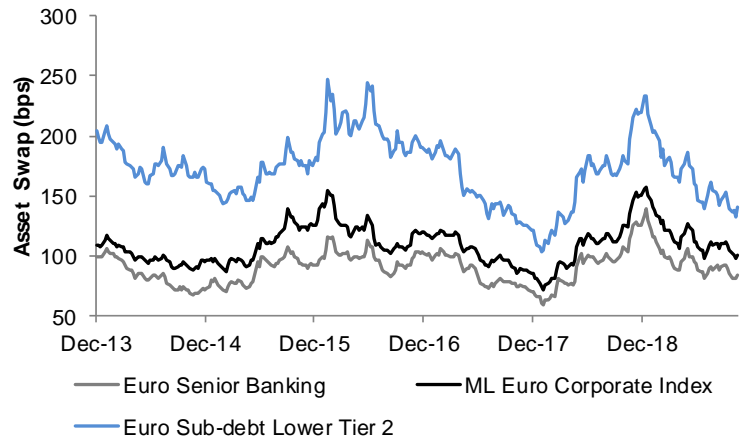
Source: Allianz Global Investors, Bloomberg - data as of 15/11/2019

### Financials keep their high beta status vs corporates



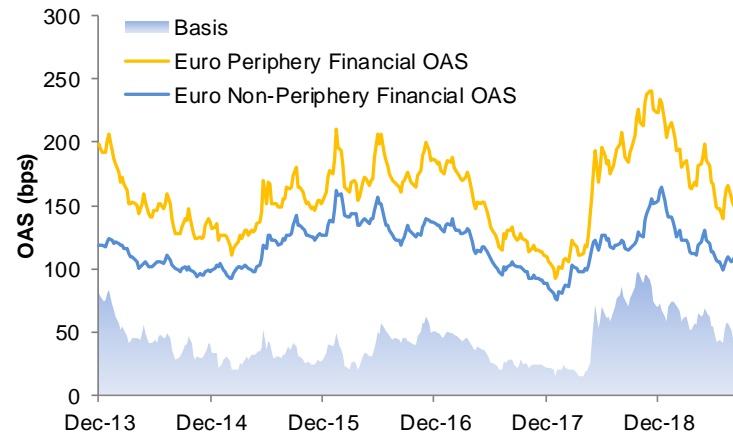
Source: Allianz Global Investors, Bloomberg - data as of 18/11/2019

### Selective sub are offering value



Source: Allianz Global Investors, Bloomberg - data as of 15/11/2019

### Decompression between Periphery and non-periphery financials

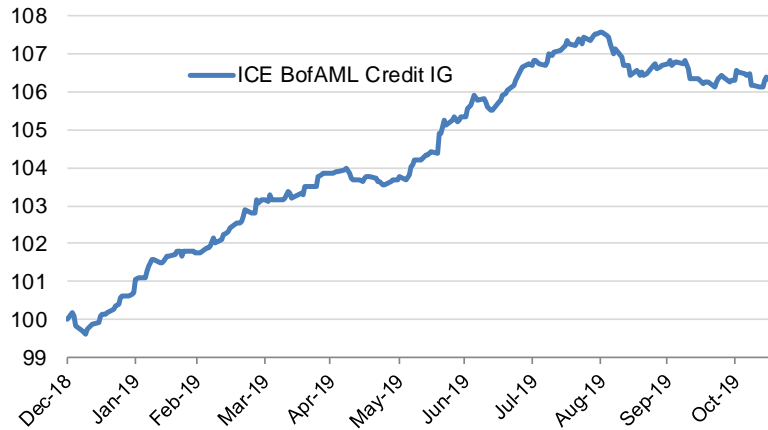


Source: Allianz Global Investors, Bloomberg - data as of 15/11/2019

Past performance is not a reliable indicator of future results.

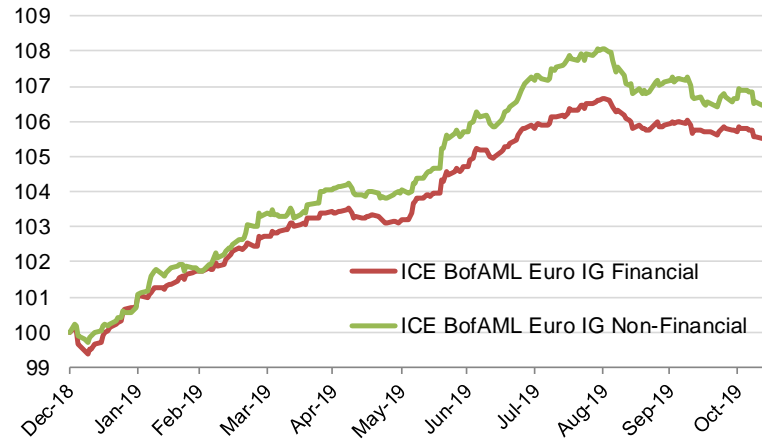
# Performance

## Euro IG - Performance YtD



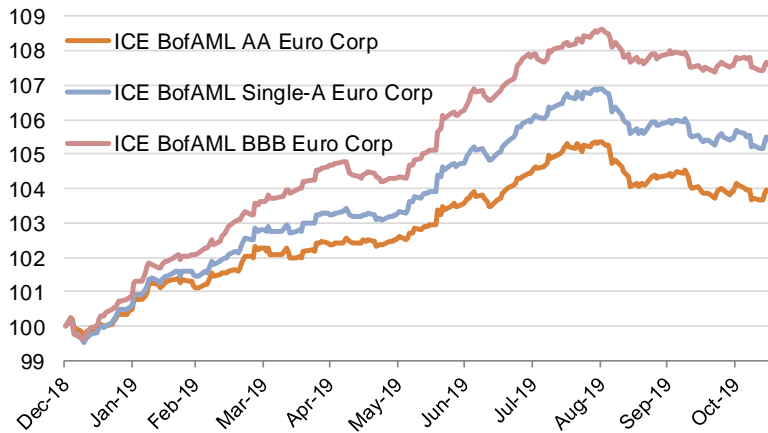
Source: Allianz Global Investors, Bloomberg - data as of 15/11/2019

## Euro IG Financials vs non-financials - Performance YtD



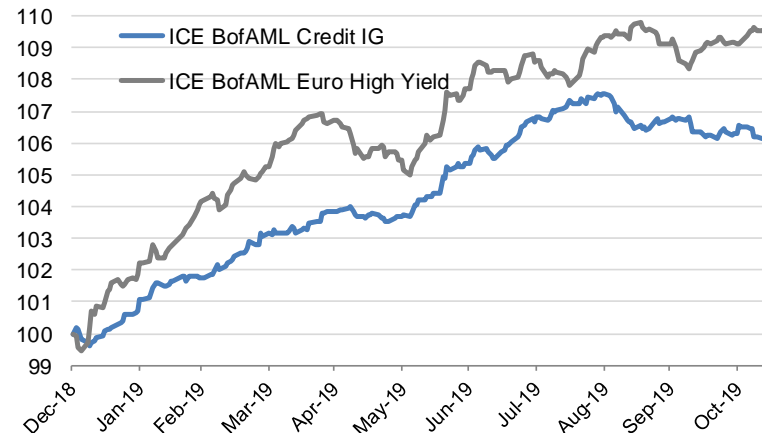
Source: Allianz Global Investors, Bloomberg - data as of 15/11/2019

## Euro IG - Performance YtD by rating



Source: Allianz Global Investors, Bloomberg - data as of 15/11/2019

## Euro IG vs Euro HY - Performance YtD



Source: Allianz Global Investors, Bloomberg - data as of 15/11/2019

Past performance is not a reliable indicator of future results.

# 03

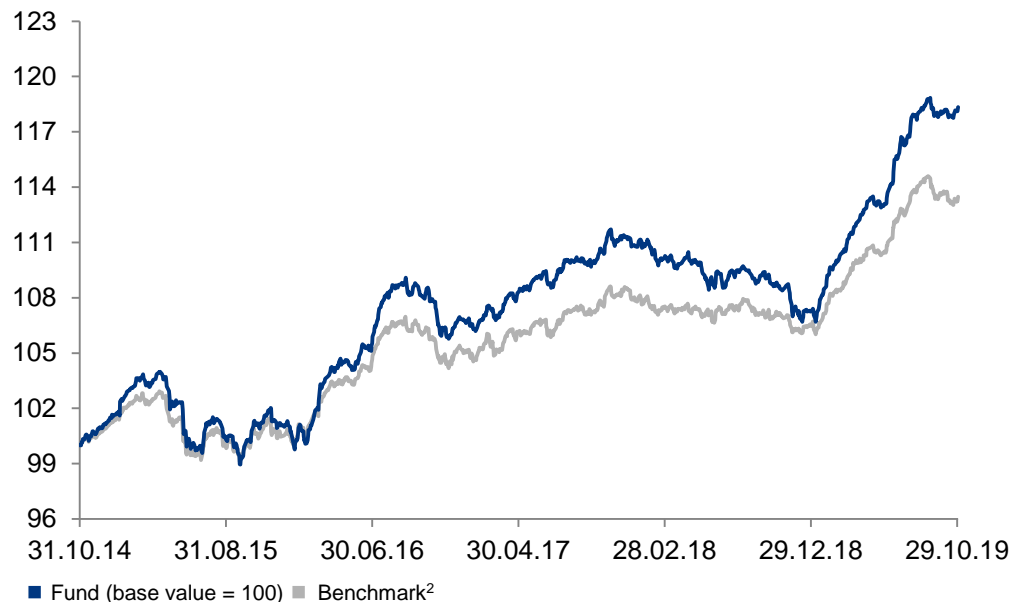
## Performance, risks and composition of the portfolio



# Allianz Euro Credit SRI - I - EUR

## Performance

### Performance History<sup>1</sup>



	Allianz Euro Credit SRI - I - EUR in %	Benchmark in % <sup>2</sup>
<b>YTD</b>	10.30	6.56
<b>1M</b>	0.26	-0.21
<b>3M</b>	0.42	-0.34
<b>2018</b>	-3.17	-1.25
<b>2017</b>	3.69	2.41
<b>2016</b>	5.79	4.73
<b>2015</b>	-0.33	-0.56
<b>2014</b>	9.53	8.40

<sup>1</sup> Calculated at the net asset value, excl. front-end load, distributions reinvested. Calculation according to method as defined by BVI, the German Fund Companies Association. Past performance is not a reliable indicator of future results. Any front-end loads reduce the capital employed and the performance stated. All performance data in respect of Allianz Euro Credit SRI - I – EUR prior to the launch date, 13/01/2015, are based on another investment fund, namely ALLIANZ EURO CREDIT SRI, a French benchmark fund, which is not licensed for distribution in Germany. Allianz Euro Credit SRI is managed by the same team using the same strategy. This does not imply that Allianz Euro Credit SRI will enjoy similar performance in the future.

<sup>2</sup> BLOOMBERG BARCLAYS EURO-AGGREGATE: CORPORATES EUR UNHEDGED RETURN IN EUR

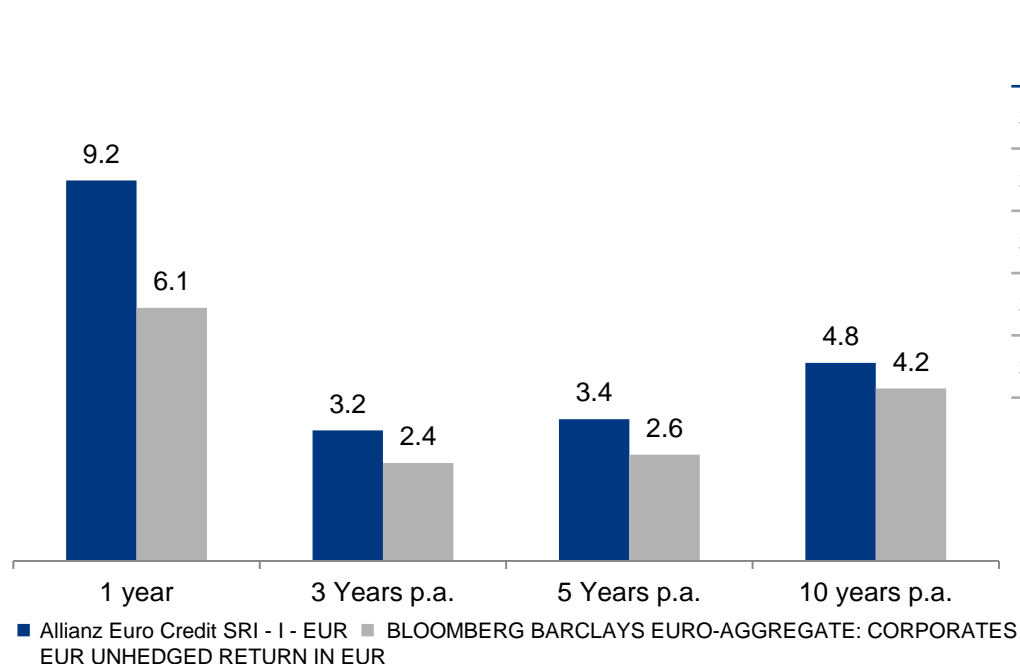
TER (Total Expense Ratio): Total cost (except transaction costs) charged to the fund during the last financial year: 0.61 %.

Source: Allianz Global Investors; data as per 31.10.2019

# Allianz Euro Credit SRI - I - EUR

## Performance

### Performance over 10 years<sup>1</sup>



	Allianz Euro Credit SRI - I - EUR in %	Benchmark in %
31.10.2014 - 31.10.2015	1.21	0.68
31.10.2015 - 31.10.2016	6.54	5.08
31.10.2016 - 31.10.2017	3.17	2.40
31.10.2017 - 31.10.2018	-2.57	-1.27
31.10.2018 - 31.10.2019	9.17	6.10

<sup>1</sup> Calculated at the net asset value, excl. front-end load, distributions reinvested. Calculation according to method as defined by BVI, the German Fund Companies Association. Past performance is not a reliable indicator of future results. Any front-end loads reduce the capital employed and the performance stated. All performance data in respect of Allianz Euro Credit SRI - I - EUR prior to the launch date, 13/01/2015, are based on another investment fund, namely ALLIANZ EURO CREDIT SRI, a French benchmark fund, which is not licensed for distribution in Germany. Allianz Euro Credit SRI is managed by the same team using the same strategy. This does not imply that Allianz Euro Credit SRI will enjoy similar performance in the future.

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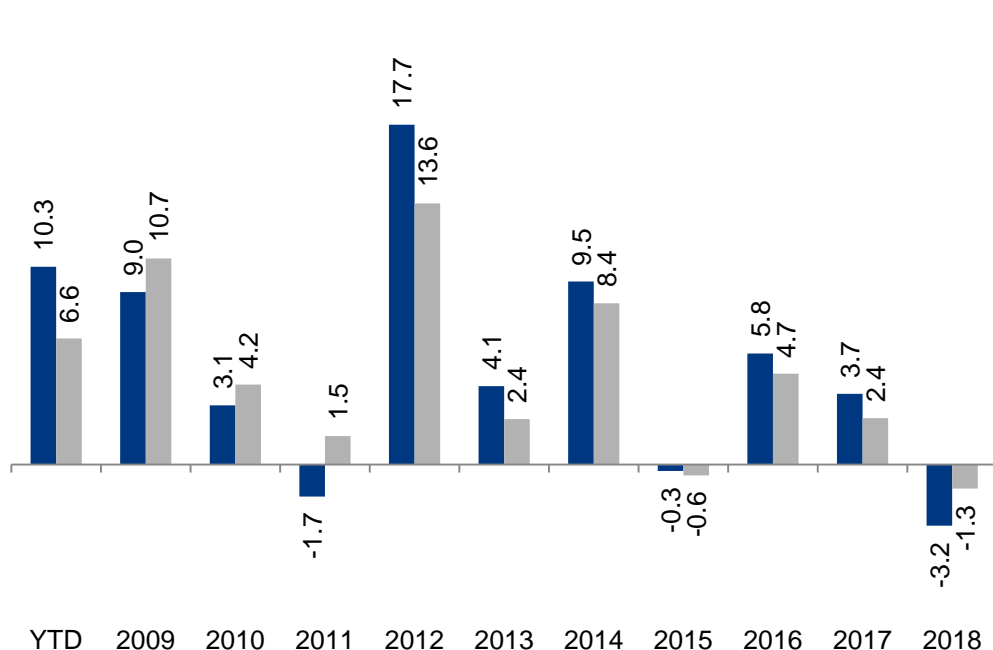
Source: Allianz Global Investors; data as per 31.10.2019



# Allianz Euro Credit SRI - I - EUR

## Performance

### Performance calendar years in %<sup>1</sup>



■ Allianz Euro Credit SRI - I - EUR ■ BLOOMBERG BARCLAYS EURO-AGGREGATE: CORPORATES EUR UNHEDGED RETURN IN EUR

<sup>1</sup> Calculated at the net asset value, excl. front-end load, distributions reinvested. Calculation according to method as defined by BVI, the German Fund Companies Association. Past performance is not a reliable indicator of future results. Any front-end loads reduce the capital employed and the performance stated. All performance data in respect of Allianz Euro Credit SRI - I - EUR prior to the launch date, 13/01/2015, are based on another investment fund, namely ALLIANZ EURO CREDIT SRI, a French benchmark fund, which is not licensed for distribution in Germany. Allianz Euro Credit SRI is managed by the same team using the same strategy. This does not imply that Allianz Euro Credit SRI will enjoy similar performance in the future.

TER (Total Expense Ratio): Total cost (except transaction costs) charged to the fund during the last financial year: 0.61 %.

Source: Allianz Global Investors; data as per 31.10.2019

	Allianz Euro Credit SRI - I - EUR in %	BLOOMBERG BARCLAYS EURO-AGGREGATE: CORPORATES EUR UNHEDGED RETURN IN EUR in %
YTD	10.30	6.56
31.10.2014 - 31.10.2015	1.21	0.68
31.10.2015 - 31.10.2016	6.54	5.08
31.10.2016 - 31.10.2017	3.17	2.40
31.10.2017 - 31.10.2018	-2.57	-1.27

# Allianz Euro Credit SRI - I - EUR

## Performance

### Performance in detail since inception in %<sup>1</sup>

Performance	Allianz Euro Credit SRI - I - EUR		Benchmark <sup>2</sup>		Delta		Tracking error %	Information ratio	Net asset value Mio. EUR
	cum.	p.a.	cum.	p.a.	cum.	p.a.			
<b>31.10.2014 - 31.10.2015</b>		1.21		0.68		0.53	1.57	0.33	
<b>31.10.2015 - 31.10.2016</b>		6.54		5.08		1.46	1.51	0.97	
<b>31.10.2016 - 31.10.2017</b>		3.17		2.40		0.77	0.68	1.13	
<b>31.10.2017 - 31.10.2018</b>		-2.57		-1.27		-1.30	1.55	-0.83	
<b>31.10.2018 - 31.10.2019</b>		9.17		6.10		3.07	1.14	2.69	
<b>YTD</b>	10.30	-	6.56	-	-	-	-	-	-
<b>1 month</b>	0.26	-	-0.21	-	-	-	-	-	-
<b>3 months</b>	0.42	-	-0.34	-	-	-	-	-	-
<b>6 months</b>	4.46	-	2.53	-	-	-	-	-	-
<b>1 year</b>	9.17	9.17	6.10	6,10	3.07	3,07	1.14	2.69	
<b>3 years</b>	9.74	3.15	7.26	2,36	2.48	0,78	1.28	0.61	
<b>5 years</b>	18.33	3.42	13.48	2,56	4.86	0,86	1.39	0.62	
<b>10 years</b>	59.52	4.78	50.28	4,16	9.24	0,62	1.39	0.45	
<b>Since Inc. (01/2015)</b>	73.10	5.28	65.58	4,84	7.52	0,44	1.37	0.31	

<sup>1</sup> Calculated at the net asset value, excl. front-end load, distributions reinvested. Calculation according to method as defined by BVI, the German Fund Companies Association. Past performance is not a reliable indicator of future results. Any front-end loads reduce the capital employed and the performance stated. All performance data in respect of Allianz Euro Credit SRI - I – EUR prior to the launch date, 13/01/2015, are based on another investment fund, namely ALLIANZ EURO CREDIT SRI, a French benchmark fund, which is not licensed for distribution in Germany. Allianz Euro Credit SRI is managed by the same team using the same strategy. This does not imply that Allianz Euro Credit SRI will enjoy similar performance in the future.

<sup>2</sup> BLOOMBERG BARCLAYS EURO-AGGREGATE: CORPORATES EUR UNHEDGED RETURN IN EUR

TER (Total Expense Ratio): Total cost (except transaction costs) charged to the fund during the last financial year: 0.61 %.

Source: Allianz Global Investors; data as per 31.10.2019

# Allianz Euro Credit SRI - I - EUR

## Performance

### Performance in detail since inception in %<sup>1</sup>

Performance	Allianz Euro Credit SRI - I - EUR		Benchmark <sup>2</sup>		Delta		Tracking error %	Information ratio	Net asset value Mio. EUR
	cum.	p.a.	cum.	p.a.	cum.	p.a.			
2018		-3.17		-1.25		-1.92	1.55	-1.24	10.88
2017		3.69		2.41		1.28	0.54	2.36	45.68
2016		5.79		4.73		1.06	1.56	0.68	7.81
2015		-0.33		-0.56		0.23	1.56	0.15	3.53
2014		9.53		8.40		1.14	0.42	2.70	-
2013		4.09		2.37		1.72	0.73	2.34	-
2012		17.69		13.59		4.10	1.49	2.74	-
2011		-1.66		1.49		-3.15	1.91	-1.65	-
2010		3.08		4.16		-1.08	0.81	-1.33	-
2009		8.99		10.73		-1.74	0.79	-2.71	-

<sup>1</sup> Calculated at the net asset value, excl. front-end load, distributions reinvested. Calculation according to method as defined by BVI, the German Fund Companies Association. Past performance is not a reliable indicator of future results. Any front-end loads reduce the capital employed and the performance stated. All performance data in respect of Allianz Euro Credit SRI - I - EUR prior to the launch date, 13/01/2015, are based on another investment fund, namely ALLIANZ EURO CREDIT SRI, a French benchmark fund, which is not licensed for distribution in Germany. Allianz Euro Credit SRI is managed by the same team using the same strategy. This does not imply that Allianz Euro Credit SRI will enjoy similar performance in the future.

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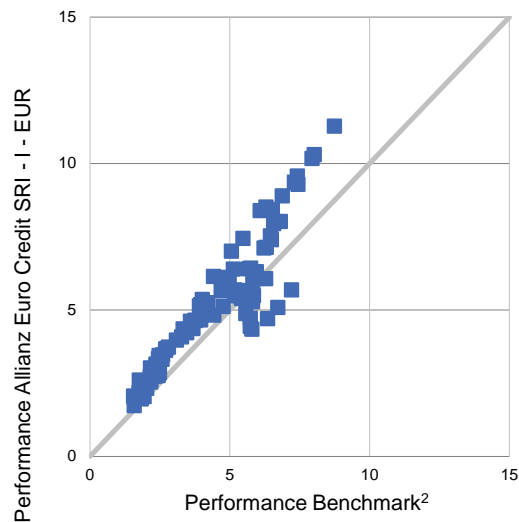
Source: Allianz Global Investors; data as per 31.10.2019

# Allianz Euro Credit SRI - I - EUR

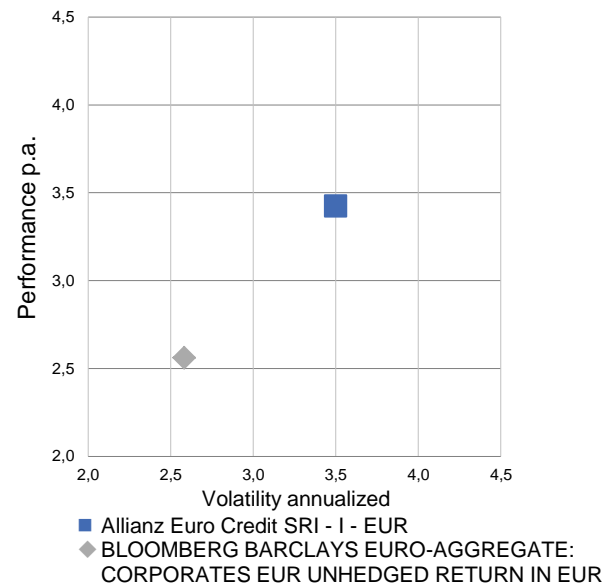
## Risk / return ratios

### Outperformance and risk / return-chart<sup>1</sup>

Outperformance in 80 out of 92 3-year p.a. periods rolled monthly as per 31.10.2019 in %



Risk vs. Return (5 Years) as per 31.10.2019 in %



<sup>1</sup> Calculated at the net asset value, excl. front-end load, distributions reinvested. Calculation according to method as defined by BVI, the German Fund Companies Association. Past performance is not a reliable indicator of future results. Any front-end loads reduce the capital employed and the performance stated. All performance data in respect of Allianz Euro Credit SRI - I – EUR prior to the launch date, 13/01/2015, are based on another investment fund, namely ALLIANZ EURO CREDIT SRI, a French benchmark fund, which is not licensed for distribution in Germany. Allianz Euro Credit SRI is managed by the same team using the same strategy. This does not imply that Allianz Euro Credit SRI will enjoy similar performance in the future.

<sup>2</sup> BLOOMBERG BARCLAYS EURO-AGGREGATE: CORPORATES EUR UNHEDGED RETURN IN EUR

TER (Total Expense Ratio): Total cost (except transaction costs) charged to the fund during the last financial year: 0.61 %.

Source: Allianz Global Investors; data as per 31.10.2019

# Allianz Euro Credit SRI - I - EUR

## Risk / return ratios

### Risk / return ratios<sup>1</sup>

	1 Year	3 Years	5 Years
<b>Sharpe ratio</b>	2.79	1.18	1.06
<b>Volatility (%)</b>	3.43	2.99	3.50
<b>Alpha (%)</b>	3.07	0.78	0.86
<b>Beta</b>	1.23	1.20	1.27
<b>Tracking error (%)</b>	1.14	1.28	1.39
<b>Information ratio</b>	2.69	0.61	0.62

### Key figures

<b>Effective Duration (%)</b>	5.54
<b>Average nominal return (%)</b>	1.86
<b>Yield to worst (%)</b>	1.13
<b>Average rating</b>	BBB+

<sup>1</sup> Calculated at the net asset value, excl. front-end load, distributions reinvested. Calculation according to method as defined by BVI, the German Fund Companies Association. Past performance is not a reliable indicator of future results. Any front-end loads reduce the capital employed and the performance stated. All performance data in respect of Allianz Euro Credit SRI - I – EUR prior to the launch date, 13/01/2015, are based on another investment fund, namely ALLIANZ EURO CREDIT SRI, a French benchmark fund, which is not licensed for distribution in Germany. Allianz Euro Credit SRI is managed by the same team using the same strategy. This does not imply that Allianz Euro Credit SRI will enjoy similar performance in the future.

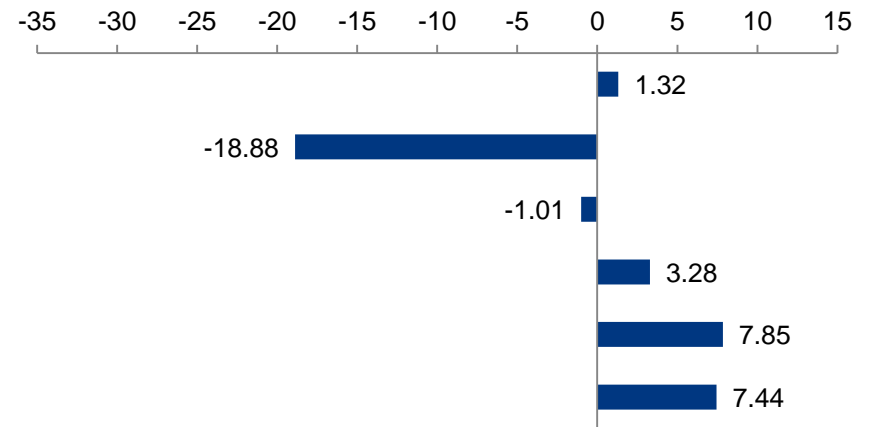
# Allianz Euro Credit SRI

## Breakdown

### Current duration breakdown (%) (weighted by market value)

	Fund weight (%)	Benchmark <sup>1</sup> weight (%)
<b>0 - 1 Year</b>	2.55	1.23
<b>1 - 3 Years</b>	6.44	25.32
<b>3 - 5 Years</b>	27.95	28.96
<b>5 - 7 Years</b>	25.70	22.42
<b>7 - 10 Years</b>	23.73	15.88
<b>&gt; 10 Years</b>	13.63	6.19

### Relative allocation in %



<sup>1</sup> BLOOMBERG BARCLAYS EURO-AGGREGATE: CORPORATES EUR UNHEDGED RETURN IN EUR  
The current breakdown is not a reliable indicator of future results.  
Source: Allianz Global Investors; data as per 31.10.2019

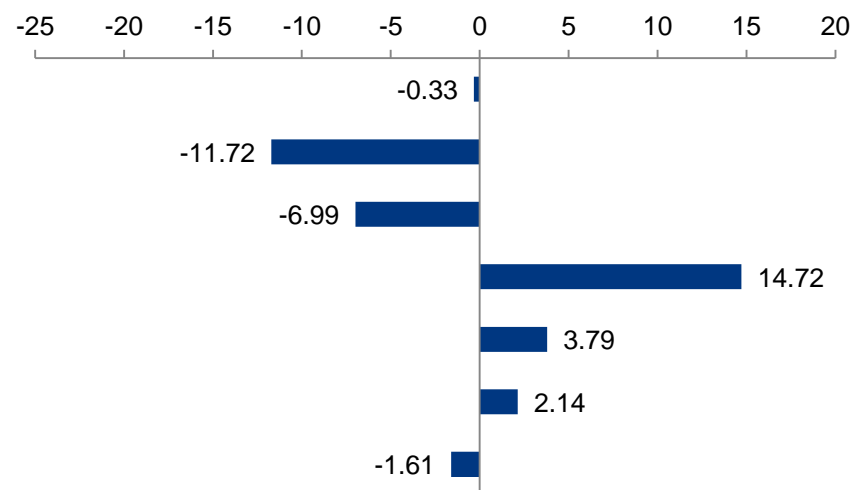
# Allianz Euro Credit SRI

## Breakdown

### Current rating breakdown (%) (weighted by market value)

	Fund weight (%)	Benchmark <sup>1</sup> weight (%)
AAA	0.09	0.42
AA	3.31	15.03
A	39.10	46.09
BBB	53.16	38.44
BB	3.79	0.00
Others	2.16	0.02
Cash	-1.61	0.00

### Relative allocation in %



<sup>1</sup> BLOOMBERG BARCLAYS EURO-AGGREGATE: CORPORATES EUR UNHEDGED RETURN IN EUR

Breakdown based on best available rating for each security. Data published by index provider are based on average ratings and may be different.

The current breakdown is not a reliable indicator of future results.

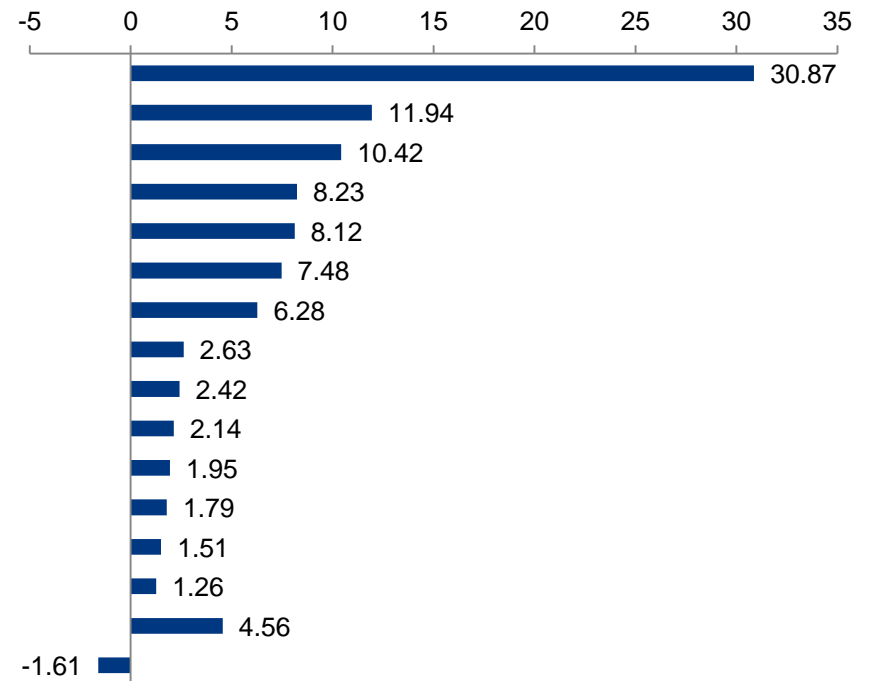
Source: Allianz Global Investors; data as per 31.10.2019

# Allianz Euro Credit SRI

## Breakdown

### Country/Location Breakdown (%)

	Fund weight (%)
Frankreich	30.87
Deutschland	11.94
Italien	10.42
Niederlande	8.23
Großbritannien	8.12
USA	7.48
Spanien	6.28
Finnland	2.63
Belgien	2.42
Schweiz	2.14
Österreich	1.95
Schweden	1.79
Luxemburg	1.51
Australien	1.26
Sonstige	4.56
Kasse	-1.61





# Allianz Euro Credit SRI

## Breakdown

### Top holdings in %

ACHMEA BV EMTN FIX TO FLOAT 2.500% 24.09.2039	1.01
COOPERATIEVE RABOBANK UA CONV FIX TO FLOAT 3.250% 29.12.2198	0.75
BELFIUS BANK SA/NV CONV FIX TO FLOAT 3.625% 16.04.2198	0.74
CITYCON TREASURY BV FIX 2.500% 01.10.2024	0.72
BBVA USA FIX 2.500% 27.08.2024	0.71
CITYCON TREASURY BV EURO FIX 2.375% 15.01.2027	0.70
FLUXYS BELGIUM 10Y FIX 1.750% 05.10.2027	0.64
E.ON SE EMTN FIX 0.000% 28.08.2024	0.62
UNIBAIL-RODAMCO SE EMTN FIX 1.750% 01.07.2049	0.60
LAGARDERE SCA FIX 2.125% 16.10.2026	0.59
<b>Total</b>	<b>7.08</b>

# Allianz Euro Credit SRI - I - EUR

## Key messages



### Sustainable development of our portfolios

A long-term conviction process with extra-financial ESG<sup>1</sup> criteria and the respect of human rights providing a more exhaustive evaluation of issuers' long term risk.

### Both bond picking and tactical credit exposure are key to our investment process

Within bond picking we equally emphasise on fundamental financial analysis and ESG (Environmental, Social and Governance) analysis.

### SRI analysis: a two-step process

The SRI analysis combines a quantitative approach grounded on data provided by two external rating agencies and a qualitative step being performed internally by the SRI specialists.

 Attractive long-term performance from combining successful bond picking and SRI expertise

<sup>1</sup> Environmental, social and corporate governance criteria.

Source: Morningstar; category EUR Corporate Bonds, data for the I share classes as of 30.10.2019. Any reference to a ranking, a rating or an award provides no guarantee for future performance results and is not constant over time. Past performances are not a reliable indicator of future performances.

# A

## Appendix



# Euro Investment Grade SRI strategy

## Objective

- Outperformance of Barclays Capital Euro Corporate benchmark while taking advantage of opportunities offered on the Corporate Credit Market with a SRI best-in-class approach
- Focus on companies that satisfy a sustainable and responsible investment approach
- Focus on quality credit: Investment mainly in investment grade corporate bonds

## Management style

- Bringing together AllianzGI's strategies in managing Investment Grade Corporate Debt & best-in-class SRI funds; bond picking on both financial and SRI research criteria
- Investment philosophy based on a long-term conviction process
- Backed by a team of investment professionals covering the full scope of SRI research

## Risk approach

- Disciplined, ordered, controlled investment process
- Powerful front office risk management tools
- Risk management controls (pre and post trades)

## Curriculum vitae of the portfolio manager



**Hervé Dejonghe, CFA** holds a Master degree in Finance from the Université Paris Dauphine and a Master in Mathematics from the Université Paris VI Jussieu. He joined Allianz Global Investors in 2011 as a Fund Manager / Credit Analyst after working for 6 years at Dexia Asset Management as a Fund Manager / Credit Analyst as well and 2 years at Calyon (New York) as a Credit Analyst and Counterparty Risk Analyst.

# Allianz Euro Credit SRI - I - EUR

## Key information

<b>ISIN / German security no.</b>	LU1145632938 / A12 FR5
<b>Benchmark</b>	BLOOMBERG BARCLAYS EURO-AGGREGATE: CORPORATES EUR UNHEDGED RETURN IN EUR
<b>Umbrella</b>	Allianz Global Investors Fund
<b>Management company</b>	Allianz Global Investors GmbH
<b>Investment Manager</b>	Allianz Global Investors GmbH, France branch
<b>Custodian bank</b>	State Street Bank Luxembourg S.C.A.
<b>Launch date</b>	13.01.2015
<b>Fund manager</b>	Hervé Dejonghe (since 13.01.2015)
<b>Fund currency</b>	EUR
<b>Net assets</b>	880.99 mn.EUR
<b>Share class volume</b>	31.14 mn. EUR
<b>Financial year end</b>	30/9/
<b>Distribution</b>	distributing
<b>Distribution payout on 17.12.2018</b>	12.355 EUR
<b>Distribution frequency</b>	annually
<b>Min. investment (prospectus)</b>	4,000,000 EUR
<b>Registered for sale in</b>	AT, CH, DE, FR, GB, LI, LU, NL
<b>Front-end load (%)<sup>1</sup></b>	currently 0.00 (max. 2.00)
<b>All-in fee in % p.a.<sup>2</sup></b>	currently 0.60 (max. 1.00)
<b>Ongoing Charges<sup>3</sup></b>	0.61
<b>TER (%)<sup>4</sup></b>	0.61

- <sup>1</sup> If the acquisition of Fund units is subject to a sales charge, up to 100% of such sales charge may be collected by the distributor; the exact amount shall be mentioned by the distributor as part of the investment advisory process. This also applies to any payment by the Management Company of an ongoing distribution fee from the all-in fee to the distributor.
- <sup>2</sup> The all-in fee includes the expenses previously called management, administration and distribution fees.
- <sup>3</sup> Ongoing charges: Ongoing charges are based on the total costs (excluding transaction costs) charged to fund assets in the last financial year (TER) and may vary from year to year. If the total cost of the fund has not yet been calculated, the ongoing costs refer only to an estimation.
- <sup>4</sup> TER (Total Expense Ratio): Total cost (except transaction costs) charged to the fund during the last financial year.

# Allianz Euro Credit SRI

## Share class overview

<b>Benchmark</b>	BLOOMBERG BARCLAYS EURO-AGGREGATE: CORPORATES EUR UNHEDGED RETURN IN EUR							
<b>Management company</b>	Allianz Global Investors GmbH							
<b>Investment Manager</b>	Allianz Global Investors GmbH, France branch							
<b>Risk class</b>	3 : conservative							
<b>Fund manager</b>	Hervé Dejonghe							
<b>Financial year end</b>	30/9/							
<b>Net assets</b>	880.99 mn.EUR							
<b>Share class</b>	<b>A - EUR</b>	<b>AT - EUR</b>	<b>CT - EUR</b>	<b>I - EUR</b>	<b>IT - EUR</b>	<b>IT (H2-CHF) - CHF</b>	<b>P - EUR</b>	<b>P2 - EUR</b>
<b>ISIN</b>	LU1149865930	LU1145633407	LU1328248510	LU1145632938	LU1145633233	LU1933088210	LU1706852453	LU2002383540
<b>German security no.</b>	A12GG8	A12FR7	A2ABED	A12FR5	A12FR6	A2PBT4	A2H6J9	A2PK55
<b>Registered for sale in</b>	AT, BE, CH, DE, FR, GB, IT, LI, LU, NL, PT	AT, BE, CH, DE, ES, FR, GB, IT, LI, LU, NL	AT, CH, DE, FR, GB, IT, LI, LU, NL	AT, CH, DE, FR, GB, LI, LU, NL	AT, CH, DE, ES, FR, GB, IT, LI, LU, NL	AT, CH, DE, FR, GB, LI, LU, NL	AT, CH, DE, FR, GB, LI, LU, NL	AT, CH, DE, FR, GB, LI, LU, NL
<b>Fund currency</b>	EUR	EUR	EUR	EUR	EUR	CHF	EUR	EUR
<b>Distribution</b>	distributing	accumulation	accumulation	distributing	accumulation	accumulation	distributing	distributing
<b>Min. investment (prospectus)</b>	-	-	-	4,000,000 EUR	4,000,000 EUR	4,000,000 CHF	3,000,000 EUR	10,000,000 EUR
<b>Launch date</b>	13.01.2015	02.02.2015	26.10.2016	13.01.2015	09.08.2016	24.01.2019	06.12.2017	12.06.2019
<b>Share class volume</b>	6.84 mn.EUR	121.59 mn.EUR	30.53 mn.EUR	31.14 mn.EUR	23.08 mn.EUR	2.40 mn.CHF	33.00 mn.EUR	1,038.12 EUR
<b>Front-end load (%) <sup>1</sup></b>	currently 2.00 (max. 5.00)	currently 2.00 (max. 5.00)	currently 1.50 (max. 5.00)	currently 0.00 (max. 2.00)	currently 0.00 (max. 2.00)	currently 0.00 (max. 2.00)	currently 0.00 (max. 2.00)	currently 0.00 (max. 2.00)
<b>All-in fee in % p.a. <sup>2</sup></b>	currently 1.09 (max. 2.00)	currently 1.09 (max. 2.00)	currently 1.41 (max. 2.75)	currently 0.60 (max. 1.00)	currently 0.60 (max. 1.00)	currently 0.60 (max. 1.00)	currently 0.60 (max. 1.00)	currently 0.42 (max. 1.00)
<b>TER (%) <sup>3</sup></b>	1.13	1.14	1.46	0.61	0.61		0.66 <sup>4</sup>	

See next page for footnotes.

Source: Allianz Global Investors; data as per 31.10.2019

# Allianz Euro Credit SRI

## Share class overview

<b>Benchmark</b>	BLOOMBERG BARCLAYS EURO-AGGREGATE: CORPORATES EUR UNHEDGED RETURN IN EUR
<b>Management company</b>	Allianz Global Investors GmbH
<b>Investment Manager</b>	Allianz Global Investors GmbH, France branch
<b>Risk class</b>	3 : conservative
<b>Fund manager</b>	Hervé Dejonghe
<b>Financial year end</b>	30/9/
<b>Net assets</b>	880.99 mn.EUR

Share class	PT - EUR	PT2 - EUR	R - EUR	R2 - EUR	RT - EUR	RT (H2-CHF) - CHF	RT2 - EUR	W - EUR
<b>ISIN</b>	LU1331159357	LU2002383623	LU1149865690	LU1851368099	LU1173936078	LU2014481076	LU1851368172	LU1136108591
<b>German security no.</b>	A2ABT3	A2PK56	A12GG7	A2JP51	A14MUM	A2PMR7	A2JP52	A12EP1
<b>Registered for sale in</b>	AT, CH, DE, FR, GB, LI, LU, NL	AT, CH, DE, FR, GB, LI, LU, NL	AT, BE, CH, DE, FR, GB, LI, LU, NL	AT, CH, DE, FR, GB, LI, LU, NL	AT, BE, CH, DE, ES, FR, GB, LI, LU, NL	AT, CH, DE, FR, GB, LI, LU, NL	AT, CH, DE, FR, GB, LI, LU, NL	AT, CH, DE, FR, GB, LI, LU, NL
<b>Fund currency</b>	EUR	EUR	EUR	EUR	EUR	CHF	EUR	EUR
<b>Distribution</b>	accumulation	accumulation	distributing	distributing	accumulation	accumulation	accumulation	distributing
<b>Min. investment (prospectus)</b>	3,000,000 EUR	10,000,000 EUR	-	10,000,000 EUR	-	-	10,000,000 EUR	10,000,000 EUR
<b>Launch date</b>	26.10.2016	12.06.2019	13.01.2015	24.07.2018	24.04.2015	18.07.2019	24.07.2018	13.01.2015
<b>Share class volume</b>	33.10 mn.EUR	1,038.12 EUR	14.70 mn.EUR	11.15 mn.EUR	39.24 mn.EUR	0.01 mn.CHF	1,086.98 EUR	455.66 mn.EUR
<b>Front-end load (%) <sup>1</sup></b>	currently 0.00 (max. 2.00)	currently 0.00 (max. 2.00)	-	-	-	-	-	-
<b>All-in fee in % p.a. <sup>2</sup></b>	currently 0.60 (max. 1.00)	currently 0.42 (max. 1.00)	currently 0.64 (max. 0.90)	currently 0.42 (max. 0.90)	currently 0.64 (max. 0.90)	currently 0.64 (max. 0.90)	currently 0.42 (max. 0.90)	0.42
<b>TER (%) <sup>3</sup></b>	0.65		0.69	0.47 <sup>5</sup>	0.69		0.47 <sup>6</sup>	0.43

See next page for footnotes.

Source: Allianz Global Investors; data as per 31.10.2019



# Allianz Euro Credit SRI

## Share class overview

<b>Benchmark</b>	BLOOMBERG BARCLAYS EURO-AGGREGATE: CORPORATES EUR UNHEDGED RETURN IN EUR
<b>Management company</b>	Allianz Global Investors GmbH
<b>Investment Manager</b>	Allianz Global Investors GmbH, France branch
<b>Risk class</b>	3 : conservative
<b>Fund manager</b>	Hervé Dejonghe
<b>Financial year end</b>	30/9/
<b>Net assets</b>	880.99 mn.EUR

Share class	WT - EUR	WT4 - EUR
<b>ISIN</b>	LU1136108757	LU1697982061
<b>German security no.</b>	A12EQG	A2H5F2
<b>Registered for sale in</b>	AT, CH, DE, FR, GB, LI, LU, NL	AT, CH, DE, FR, GB, LI, LU, NL
<b>Fund currency</b>	EUR	EUR
<b>Distribution</b>	accumulation	accumulation
<b>Min. investment (prospectus)</b>	10,000,000 EUR	250,000,000 EUR
<b>Launch date</b>	22.06.2018	20.10.2017
<b>Share class volume</b>	78.77 mn.EUR	1,001.88 EUR
<b>Front-end load (%) <sup>1</sup></b>	-	-
<b>All-in fee in % p.a. <sup>2</sup></b>	0.42	currently 0.33 (max. 0.42)
<b>TER (%) <sup>3</sup></b>	0.42 <sup>7</sup>	0.34 <sup>8</sup>

See next page for footnotes.

Source: Allianz Global Investors; data as per 31.10.2019

# Allianz Euro Credit SRI

- <sup>1</sup> If the acquisition of Fund units is subject to a sales charge, up to 100% of such sales charge may be collected by the distributor; the exact amount shall be mentioned by the distributor as part of the investment advisory process. This also applies to any payment by the Management Company of an ongoing distribution fee from the all-in fee to the distributor.
- <sup>2</sup> The all-in fee includes the expenses previously called management, administration and distribution fees.
- <sup>3</sup> TER (Total Expense Ratio): Total cost (except transaction costs) charged to the fund during the last financial year.
- <sup>4</sup> The reported TER of 0.66 % p.a. relates to an abridged financial year. Since the TER is shown on an annualised basis, it may differ from the costs of 0.65 % p.a. that are actually expected.
- <sup>5</sup> The reported TER of 0.47 % p.a. relates to an abridged financial year. Since the TER is shown on an annualised basis, it may differ from the costs of 0.47 % p.a. that are actually expected.
- <sup>6</sup> The reported TER of 0.47 % p.a. relates to an abridged financial year. Since the TER is shown on an annualised basis, it may differ from the costs of 0.47 % p.a. that are actually expected.
- <sup>7</sup> The reported TER of 0.42 % p.a. relates to an abridged financial year. Since the TER is shown on an annualised basis, it may differ from the costs of 0.43 % p.a. that are actually expected.
- <sup>8</sup> The reported TER of 0.34 % p.a. relates to an abridged financial year. Since the TER is shown on an annualised basis, it may differ from the costs of 0.34 % p.a. that are actually expected.

# Allianz Euro Credit SRI - I - EUR

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